

Designation Run Report

DW03_Donald Walker Plaintiffs' Submission

Walker, Donald 01-10-2019

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15:10 - 15:21	Walker, Donald 01-10-2019 (00:00:16) 15:10 Q. Sir, my name is Eric Kennedy. You 15:11 understand that I represent the plaintiffs in this 15:12 case? 15:13 A. I do. 15:14 Q. And could you please state your full 15:15 name for the record. 15:16 A. Donald Walker. 15:17 Q. And are you currently employed? 15:18 A. I am not. 15:19 Q. And your prior employer was McKesson; 15:20 would that be true? 15:21 A. That's correct.	DW03_Donald Walker Plaintiffs' Submission.1
16:11 - 16:18	Walker, Donald 01-10-2019 (00:00:24) 16:11 Q. When did you begin your career with 16:12 McKesson? 16:13 A. I joined McKesson in 1987. 16:14 Q. And when you joined them, what was 16:15 your position? 16:16 A. My first position with McKesson was 16:17 as a Transportation Manager with one of the 16:18 subsidiary companies that McKesson had.	DW03_Donald Walker Plaintiffs' Submission.2
16:22 - 17:4	Walker, Donald 01-10-2019 (00:00:27) 16:22 Q. And what was the next position that 16:23 you held with McKesson? 16:24 A. I held the position with the -- what 16:25 was then the McKesson Drug Company and 17:1 Transportation, and had responsibility for 17:2 transportation planning. 17:3 Q. And when did you take that position? 17:4 A. About 1991.	DW03_Donald Walker Plaintiffs' Submission.3
17:14 - 17:19	Walker, Donald 01-10-2019 (00:00:23) 17:14 Q. What was your next position at 17:15 McKesson? 17:16 A. I was the Distribution Center Manager 17:17 of our Sacramento Distribution Center. 17:18 Q. When did you take that position? 17:19 A. My best recollection is about 1992.	DW03_Donald Walker Plaintiffs' Submission.4
17:20 - 18:8	Walker, Donald 01-10-2019 (00:00:48) 17:20 Q. And what were your duties and	DW03_Donald Walker Plaintiffs' Submission.5

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17:21 responsibilities then, as the manager of a
17:22 distribution center?

17:23 A. I had responsibility for oversight of
17:24 our daily distribution of pharmaceuticals to
17:25 pharmacies served by that distribution center.

18:1 Q. And that position would have involved
18:2 the distribution of opioids; would it not?

18:3 A. As part of our distribution, we did
18:4 distribute controlled substances to pharmacies.

18:5 Q. Did you have any responsibility at
18:6 that point in time with respect to the creation,
18:7 management or implementation of anti-diversion
18:8 regulations and policies at McKesson?

18:10 - 19:4

Walker, Donald 01-10-2019 (00:01:13)

18:10 THE WITNESS: No. At that time I was
18:11 executing against existing policies the company had
18:12 in place.

18:13 BY MR. KENNEDY:

18:14 Q. What were in place from 1992 to the
18:15 late '90s? What was the policy in place?

18:16 A. There were -- the policies we had
18:17 were contained in our Operations Manuals that
18:18 specified our responsibilities to comply to
18:19 regulations for handling and distribution of
18:20 controlled substances.

18:21 Q. We know about the existence of
18:22 Standard Operating Procedure 55. Are you familiar
18:23 with that?

18:24 A. Yes.

18:25 Q. Was that the policy and procedure
19:1 that was in place in the 1990s?

19:2 A. The Section 55 of our Operations
19:3 Manual covered the responsibilities with the handling
19:4 and distribution of controlled substances.

19:5 - 19:10

Walker, Donald 01-10-2019 (00:00:25)

19:5 Q. Sir, that wasn't my question. I was
19:6 asking, was Standard Operating Procedure Section 55,
19:7 was that the policy in place in the 1990s?

19:8 A. My recollection is that Section 55
19:9 was the applicable policy in place during a period in

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19:11 - 20:14

19:10 the 1990s.

Walker, Donald 01-10-2019 (00:01:40)

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19:11 Q. How long did you hold the position as

19:12 a Distribution Center Manager?

19:13 A. I recall it was approximately 18

19:14 months.

19:15 Q. So sometime in 1993/'94, you took on

19:16 a new position?

19:17 A. Yes. In 19 -- in that time frame, I

19:18 don't recall exactly when, I was promoted to a new

19:19 position of Vice President of Distribution Operations

19:20 for their Western Region.

19:21 Q. Western Region would be the western

19:22 part of the United States?

19:23 A. Yes.

19:24 Q. And what were your responsibilities

19:25 as VP of Distribution of the Western Region?

20:1 A. I had responsibility for the

20:2 operations staff in the distribution centers that

20:3 comprised the Western Region. So the distribution

20:4 center managers that operated those facilities

20:5 reported to me.

20:6 Q. And at that point in time -- how

20:7 long -- how long did you hold that position?

20:8 A. I held that position until about

20:9 1996.

20:10 Q. And in that position, did you have

20:11 responsibility -- other than the following of SOP 55,

20:12 did you have any duties, responsibilities, with the

20:13 creation and the management of anti-diversion

20:14 policies and procedures at McKesson?

20:16 - 20:20

Walker, Donald 01-10-2019 (00:00:19)

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20:16 THE WITNESS: In that role I had

20:17 responsibility for the distribution centers and their

20:18 execution of their responsibilities under Section 55

20:19 to the handling and distribution of controlled

20:20 substances.

20:25 - 21:4

Walker, Donald 01-10-2019 (00:00:13)

DW03_Donald Walker Plaintiffs' Submission:10

20:25 Q. And what position did you take in

21:1 1996?

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21:10 - 21:14	<p>21:2 A. In 1996 I was promoted to the Senior 21:3 Vice President of Distribution for McKesson 21:4 Pharmaceutical.</p> <p>Walker, Donald 01-10-2019 (00:00:19)</p> <p>21:10 Q. Is that the position you held until 21:11 the time of your retirement? 21:12 A. Yes, with the exception of a period 21:13 of time from approximately 2000 to 2005 where I was 21:14 responsible for our Six Sigma organization.</p>	DW03_Donald Walker Plaintiffs' Submission.11
21:15 - 21:18	<p>Walker, Donald 01-10-2019 (00:00:12)</p> <p>21:15 Q. And what is that? 21:16 A. Six Sigma is a process improvement 21:17 methodology that we introduced to the company at that 21:18 time, and I was the senior leader of our Six Sigma.</p>	DW03_Donald Walker Plaintiffs' Submission.12
21:22 - 22:9	<p>Walker, Donald 01-10-2019 (00:00:38)</p> <p>21:22 Q. From '96 to 2000, in this four-year 21:23 period, what are your responsibilities as a Senior VP 21:24 of Distribution as it related to the distribution of 21:25 opioids? 22:1 A. As the Senior Vice President of 22:2 Distribution, included in my responsibility was our 22:3 Regulatory Affairs Group. It was our overall 22:4 responsibility to ensure that we were complying with 22:5 regulations associated with the handling and 22:6 distribution of controlled substances. 22:7 Q. And would that be on a national 22:8 basis? 22:9 A. Yes.</p>	DW03_Donald Walker Plaintiffs' Submission.13
38:5 - 38:7	<p>Walker, Donald 01-10-2019 (00:00:10)</p> <p>38:5 Q. I want to make sure I get this right, 38:6 because I think you've told me a number of times -- 38:7 and this is what you've told me. Is this accurate,</p>	DW03_Donald Walker Plaintiffs' Submission.14
38:8 - 38:9	<p>Walker, Donald 01-10-2019 (00:00:08)</p> <p>38:8 then? McKesson's -- McKesson is responsible to 38:9 comply with the regulations; is that your testimony?</p>	DW03_Donald Walker Plaintiffs' Submission.15
38:11 - 38:14	<p>Walker, Donald 01-10-2019 (00:00:07)</p> <p>38:11 THE WITNESS: McKesson's responsibility was 38:12 to comply with the Code of Federal Regulations in 38:13 which govern the handling and distribution of 38:14 controlled substances.</p>	DW03_Donald Walker Plaintiffs' Submission.16

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40:5 - 40:9	Walker, Donald 01-10-2019 (00:00:14) 40:5 So let's take a look at whether or not 40:6 McKesson fulfilled its responsibility -- 40:7 all right? -- according to Mr. Walker's view of their 40:8 responsibility. All right? 40:9 A. Okay.	DW03_Donald Walker Plaintiffs' Submission.17
40:15 - 40:21	Walker, Donald 01-10-2019 (00:00:33) 40:15 Q. So let's look at McKesson's 40:16 fulfilling of its responsibility, then, as you have 40:17 described it. This is Exhibit 688, Bates -00496859 40:18 to -875. 40:19 This is a memorandum. Do you see that up at 40:20 the top, it says, "Memorandum"? 40:21 A. Yes. Give me just a minute.	DW03_Donald Walker Plaintiffs' Submission.18
40:22 - 40:22	Walker, Donald 01-10-2019 (00:00:01) 40:22 Yes.	DW03_Donald Walker Plaintiffs' Submission.19
40:24 - 41:8	Walker, Donald 01-10-2019 (00:00:27) 40:24 Q. And this is a Memorandum. This is a 40:25 DEA document; is it not? Do you see the DEA logo, 41:1 U.S. Department of Justice, Drug Enforcement 41:2 Administration? This is a memo from the DEA, from 41:3 their documents; true? 41:4 A. That's what's on the document, yes. 41:5 Q. Well, Mr. Walker, you have seen this 41:6 document before; have you not? This came from your 41:7 files. 41:8 A. Yes, I have seen this document.	DW03_Donald Walker Plaintiffs' Submission.20
41:15 - 42:22	Walker, Donald 01-10-2019 (00:01:28) 41:15 Q. All right. So this is a memorandum. 41:16 This is a DEA memorandum. The subject is, "Internet 41:17 Presentation with McKesson Corporation on 41:18 September 1, 2005"; is that right? 41:19 A. That's in the subject title, yes. 41:20 Q. And so what they are talking about is 41:21 a September 1, 2005, meeting that McKesson had with 41:22 the DEA; true? Is that true? 41:23 A. Yes, I think it represents the 41:24 meeting we had. 41:25 Q. And this is an internal memoranda 42:1 that Mr. Mapes, from the DEA, created for Joseph	DW03_Donald Walker Plaintiffs' Submission.21

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42:2 Rannazzisi of the DEA; true? Is that true?
 42:3 A. That would appear to be correct.
 42:4 Q. And you know who Mr. Rannazzisi of
 42:5 the DEA is, do you not?
 42:6 A. Yes, I do.
 42:7 Q. He held an important position with
 42:8 the DEA; did he not?
 42:9 A. Mr. Rannazzisi was the head of
 42:10 diversion control.
 42:11 Q. And that's an important position; is
 42:12 it not?
 42:13 A. I believe so.
 42:14 Q. All right. Let's read the first
 42:15 paragraph. Again, they are talking about a
 42:16 September 1 meeting. This is a DEA memo. It says:
 42:17 (Reading) On September 1, 2005, a
 42:18 meeting was held at the Office of
 42:19 Diversion Control conference room. In
 42:20 attendance were Mr. John Gilbert (end
 42:21 of reading).
 42:22 He's from McKesson; right?

42:25 - 43:10

Walker, Donald 01-10-2019 (00:00:24)

DW03_Donald Walker Plaintiffs' Submission.23

42:25 Q. He's legal counsel at McKesson?
 43:1 A. Mr. Gilbert is outside counsel for
 43:2 McKesson.
 43:3 Q. All right. A lawyer; right?
 43:4 A. Yes, he's a lawyer.
 43:5 Q. Ronald Bone, Senior Vice President,
 43:6 Distribution Support. He's from McKesson; correct?
 43:7 A. Yes.
 43:8 Q. Gary Hilliard, Director of Regulatory
 43:9 Affairs was present; right?
 43:10 A. Yes.

44:11 - 44:24

Walker, Donald 01-10-2019 (00:00:32)

DW03_Donald Walker Plaintiffs' Submission.23

44:11 Q. That last sentence in the first
 44:12 paragraph states:
 44:13 (Reading) The purpose of the meeting
 44:14 was to address the illegal domestic
 44:15 Internet pharmacy problem and their
 44:16 source of supply (end of reading).

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44:17 Did I read that right?

44:18 A. Yes.

44:19 Q. And it says, "Illegal"; does it not?

44:20 A. That is what is written.

44:21 Q. And you understand that they said

44:22 they wanted to talk to you about source of supply.

44:23 That's McKesson, because McKesson is a source of

44:24 supply to pharmacies; true?

45:2 - 45:4

Walker, Donald 01-10-2019 (00:00:07)

DW03_Donald Walker Plaintiffs' Submission.24

45:2 Q. That's what they are talking about?

45:3 A. McKesson's role in the pharmaceutical

45:4 supply chain is to supply pharmacies.

45:5 - 45:6

Walker, Donald 01-10-2019 (00:00:04)

DW03_Donald Walker Plaintiffs' Submission.25

45:5 Q. They are a source of supply? That's

45:6 what they are talking about in this memo; true?

45:8 - 45:10

Walker, Donald 01-10-2019 (00:00:06)

DW03_Donald Walker Plaintiffs' Submission.26

45:8 THE WITNESS: I'm not sure what their intent

45:9 in writing the "source of supply." But McKesson does

45:10 supply pharmacies.

45:25 - 46:5

Walker, Donald 01-10-2019 (00:00:15)

DW03_Donald Walker Plaintiffs' Submission.27

45:25 Q. All right. From your background,

46:1 your experience in dealing with the DEA, this is an

46:2 important meeting? If the DEA is bringing all these

46:3 folks from McKesson and the DEA is bringing all these

46:4 people to a meeting, and there's lawyers involved,

46:5 can we agree this was an important meeting?

46:6 - 47:15

Walker, Donald 01-10-2019 (00:01:41)

DW03_Donald Walker Plaintiffs' Submission.28

46:6 A. I would acknowledge that DEA had, you

46:7 know, regular meetings with -- with McKesson and

46:8 other distributors. Their intent in this meeting,

46:9 you know, is it important, you know, again, I'm not

46:10 going to speak for DEA. It would appear to be.

46:11 Q. Let me ask you, meetings like this

46:12 didn't happen every week with the DEA where lawyers

46:13 are involved, the DEA is bringing all these folks,

46:14 and McKesson is bringing all these folks? These type

46:15 meetings with the DEA did not happen every week;

46:16 would that be true?

46:17 A. Meetings at DEA headquarters were

46:18 not, you know, frequent.

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46:19 Q. This didn't even happen every month,
 46:20 where this many people from McKesson were brought in
 46:21 to meet this many people at DEA headquarters? It
 46:22 didn't even happen once a month; did it?
 46:23 A. Not that I recall.
 46:24 Q. This is an unusual, important
 46:25 meeting; is it not?
 47:1 A. It would appear to be.
 47:2 Q. Let's go to the next paragraph down.
 47:3 Again, this is a -- the DEA memo about September 1,
 47:4 2005. The next paragraph starts with, "Mr. Mapes."
 47:5 (Reading) Mr. Mapes opened the meeting
 47:6 by presenting to the representatives
 47:7 of McKesson Corporation a PowerPoint
 47:8 briefing which explained the common
 47:9 characteristics of Internet pharmacies
 47:10 and why their activities are illegal
 47:11 (end of reading).
 47:12 So the DEA, at least according to this memo,
 47:13 felt that these Internet pharmacies that McKesson was
 47:14 supplying, that their activities were illegal; is
 47:15 that what that says?

47:18 - 48:12

Walker, Donald 01-10-2019 (00:00:44)

DW03_Donald Walker Plaintiffs' Submission.03

47:18 Q. Sir, is that what that says?
 47:19 A. I'm reading it. It says, "the common
 47:20 characteristics of Internet pharmacies and why their
 47:21 activities are illegal."
 47:22 Q. "Illegal," that's the DEA word;
 47:23 right?
 47:24 A. That's what is written.
 47:25 Q. And they told that -- at least
 48:1 according to this memo, they told McKesson on
 48:2 September 1, 2005, that the activities of the
 48:3 Internet pharmacies, in their opinion, were illegal;
 48:4 right? Is that what it says?
 48:5 A. Yes.
 48:6 Q. Then the next sentence in the
 48:7 memoranda states:
 48:8 (Reading) Reviewed with the
 48:9 representatives of McKesson Corp.,

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48:10 were (end of reading).

48:11 And then there's some bullet points of what

48:12 were reviewed; true?

48:15 - 48:19 **Walker, Donald 01-10-2019 (00:00:11)**

DW03_Donald Walker Plaintiffs' Submission.28

48:15 Q. Do you see the bullet points?

48:16 A. Yes, I do.

48:17 Q. They talked about Supreme Court

48:18 cases, suspension orders with respect to Internet

48:19 pharmacies; right?

48:21 - 48:22 **Walker, Donald 01-10-2019 (00:00:02)**

DW03_Donald Walker Plaintiffs' Submission.31

48:21 THE WITNESS: That's what is written in the

48:22 memo.

48:24 - 48:25 **Walker, Donald 01-10-2019 (00:00:03)**

DW03_Donald Walker Plaintiffs' Submission.32

48:24 Q. They talked about the DEA Internet

48:25 policy with McKesson; did they not?

49:2 - 49:3 **Walker, Donald 01-10-2019 (00:00:01)**

DW03_Donald Walker Plaintiffs' Submission.33

49:2 THE WITNESS: Again, that is what is

49:3 written.

49:12 - 49:14 **Walker, Donald 01-10-2019 (00:00:06)**

DW03_Donald Walker Plaintiffs' Submission.34

49:12 Q. They talked about suspicious order

49:13 requirements of Title 21. They talked about that

49:14 with McKesson on this day; true?

49:16 - 49:17 **Walker, Donald 01-10-2019 (00:00:02)**

DW03_Donald Walker Plaintiffs' Submission.35

49:16 THE WITNESS: That is what is written in the

49:17 document.

49:19 - 49:22 **Walker, Donald 01-10-2019 (00:00:09)**

DW03_Donald Walker Plaintiffs' Submission.36

49:19 Q. And they talked to McKesson about

49:20 some of the practices and ordering patterns of these

49:21 Internet pharmacies that they thought were engaged in

49:22 illegal activities; true?

49:24 - 49:25 **Walker, Donald 01-10-2019 (00:00:02)**

DW03_Donald Walker Plaintiffs' Submission.37

49:24 THE WITNESS: Again, what is documented here

49:25 is that.

50:2 - 50:17 **Walker, Donald 01-10-2019 (00:00:44)**

DW03_Donald Walker Plaintiffs' Submission.38

50:2 Q. All right. Now, let's look to the

50:3 next paragraph. This is -- and I'm going to you ask

50:4 you if you can agree how important this next

50:5 paragraph is, though.

50:6 The next paragraph states:

50:7 (Reading) After the presentation,

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50:8 Mr. Mapes presented to representatives
 50:9 of McKesson Corporation specific
 50:10 customers of McKesson Corporation who
 50:11 have ordered substantial quantities of
 50:12 hydrocodone products. These specific
 50:13 customers of McKesson Corporation were
 50:14 (end of reading).
 50:15 And then they list United Prescription
 50:16 Services and Ninth Avenue Pharmacy; do you see that?
 50:17 A. I see that on the document.

50:24 - 51:7

Walker, Donald 01-10-2019 (00:00:32)

DW03_Donald Walker Plaintiffs' Submission.03

50:24 Q. So you agree with me, this paragraph
 50:25 is important because this is documenting the fact
 51:1 that on September 1, 2005, the DEA actually pointed
 51:2 out to McKesson two of its customers, at least two of
 51:3 its customers, that McKesson was selling substantial
 51:4 amounts of hydrocodone products to; correct? That's
 51:5 important? They are actually telling McKesson,
 51:6 here's some Internet pharmacies that you're selling a
 51:7 lot of hydrocodones to. That's important; true?

51:9 - 52:11

Walker, Donald 01-10-2019 (00:01:14)

DW03_Donald Walker Plaintiffs' Submission.03

51:9 THE WITNESS: In that I wasn't at the
 51:10 meeting, all I can infer is that the document states
 51:11 that Mr. Mapes presented to representatives of
 51:12 McKesson specific customers of who have ordered
 51:13 substantial quantities of hydrocodone products.
 51:14 BY MR. KENNEDY:
 51:15 Q. Let's look to the next paragraph, the
 51:16 final paragraph in this first page. It states:
 51:17 (Reading) Mr. Mapes -- he's from the
 51:18 DEA -- finalized the presentation by
 51:19 advising the representatives of
 51:20 McKesson Corporation that they needed
 51:21 to thoroughly review the materials
 51:22 provided which had been presented to
 51:23 them and review in depth the
 51:24 purchasing patterns and quantities of
 51:25 their customers (end of reading).
 52:1 So the DEA is telling McKesson here that
 52:2 they have to thoroughly review the materials, and

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52:3 they have to review in depth the purchasing patterns

52:4 and quantities of their customers; is that what it

52:5 says?

52:6 A. That's what the document says.

52:7 Q. And it indicates that the

52:8 representatives of McKesson acknowledge understanding

52:9 of the material presented. Is that the final

52:10 statement?

52:11 A. Yes, that's what's in the document.

52:15 - 52:17

Walker, Donald 01-10-2019 (00:00:06)

DW03_Donald Walker Plaintiffs' Submission-41

52:15 Q. And you clearly would have seen this

52:16 document back in 2005, 2006? We got it out of your

52:17 files; correct? You saw it back then; right?

52:19 - 52:21

Walker, Donald 01-10-2019 (00:00:07)

DW03_Donald Walker Plaintiffs' Submission-42

52:19 THE WITNESS: I don't recall seeing this

52:20 document, this internal DEA document, prior to the

52:21 review with counsel.

53:9 - 53:15

Walker, Donald 01-10-2019 (00:00:19)

DW03_Donald Walker Plaintiffs' Submission-43

53:9 Q. And could we agree that given the

53:10 fact at this meeting, and that they brought everybody

53:11 into headquarters, can we agree that the DEA wanted

53:12 to make sure that McKesson was aware that Internet

53:13 pharmacies were conducting themselves in an illegal

53:14 fashion? They wanted you folks to know. Would you

53:15 agree with that?

53:17 - 53:20

Walker, Donald 01-10-2019 (00:00:13)

DW03_Donald Walker Plaintiffs' Submission-44

53:17 THE WITNESS: I would agree that based on

53:18 what is in this document, they are concerned over

53:19 Internet pharmacies. Again, I wasn't at the meeting,

53:20 so I don't understand the tone.

54:11 - 54:16

Walker, Donald 01-10-2019 (00:00:16)

DW03_Donald Walker Plaintiffs' Submission-45

54:11 Q. During the meeting, during this

54:12 meeting, the DEA specifically pointed out that

54:13 McKesson was selling a significant amount of

54:14 hydrocodones to Internet pharmacies; true? I mean,

54:15 we just read that. They pointed that out to McKesson

54:16 at this meeting; right?

54:18 - 54:24

Walker, Donald 01-10-2019 (00:00:12)

DW03_Donald Walker Plaintiffs' Submission-46

54:18 THE WITNESS: That's what's represented in

54:19 the document.

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54:20 BY MR. KENNEDY:

54:21 Q. And this is a meeting that took place

54:22 on September 1, 2005; right?

54:23 A. That was the date of the meeting, as

54:24 I understand it.

54:25 - 55:2

Walker, Donald 01-10-2019 (00:00:15)

DW03_Donald Walker Plaintiffs' Submission-47

54:25 MR. KENNEDY: All right. Let's go four

55:1 months later. All right. Four months later. If we

55:2 could look at Exhibit 689, please.

55:6 - 55:11

Walker, Donald 01-10-2019 (00:00:10)

DW03_Donald Walker Plaintiffs' Submission-48

55:6 Q. You have got a September 1 meeting,

55:7 2005. I want to talk about four months later. You

55:8 have seen this document; have you not?

55:9 A. Yes, I have.

55:10 Q. This is from your files.

55:11 A. Yes, I have seen this document.

55:14 - 57:7

Walker, Donald 01-10-2019 (00:01:59)

DW03_Donald Walker Plaintiffs' Submission-49

55:14 Q. This is another -- this is another

55:15 DEA memo; is it not?

55:16 A. It would appear to be a DEA memo,

55:17 yes.

55:18 Q. And the subject of this memo is a

55:19 January 3, 2006, meeting with the DEA; true? True?

55:20 A. Yes.

55:21 Q. So McKesson is brought into the DEA

55:22 on September 1, '05. And now this is four months

55:23 later, January 3, 2006; true?

55:24 A. The meeting was held in January of

55:25 2006, yes.

56:1 Q. Now, this is a DEA memo, again,

56:2 written to Mr. Rannazzisi; correct?

56:3 A. That's correct.

56:4 Q. Let's look to the first paragraph.

56:5 They are referencing this meeting, the second meeting

56:6 four months after the first. And they state:

56:7 (Reading) On January 3, 2006, a

56:8 meeting was held at the Office of

56:9 Diversion Control conference room

56:10 between representatives of McKesson

56:11 Corporation and the Drug Enforcement

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56:12 Administration (end of reading).

56:13 The second paragraph states:

56:14 (Reading) Representing McKesson

56:15 Corporation were Donald G. Walker" --

56:16 That's you; right?

56:17 A. Yes, it is.

56:18 Q. You're at the second meeting; right?

56:19 A. Yes, I was at this meeting.

56:20 Q. And that point you were Senior Vice

56:21 President of Distribution Operations; correct?

56:22 A. That is correct.

56:23 Q. So you're sitting on top of

56:24 Regulatory Affairs at that point; true?

56:25 A. Yes.

57:1 Q. Bill Mahoney, Distribution Center

57:2 Manager, Lakeland Distribution Center, Florida, was

57:3 there; right? McKesson employee; true?

57:4 A. Yes.

57:5 Q. Gary Hilliard, Director of Regulatory

57:6 Affairs, was there; right?

57:7 A. Yes.

57:10 - 57:23

Walker, Donald 01-10-2019 (00:00:28)

DW03_Donald Walker Plaintiffs' Submission.01

57:10 Q. And John Gilbert, one of McKesson's

57:11 lawyers was present; true?

57:12 A. That is correct.

57:13 Q. And it says -- next paragraph down it

57:14 outlines now who is there from the DEA. It says:

57:15 (Reading) Representing Drug

57:16 Enforcement Administration (DEA)

57:17 Office of Diversion Control (OD) were

57:18 Joseph Rannazzisi, Deputy Assistant

57:19 Administrator, Michael R. Mapes,

57:20 Chief, E-Commerce Section (end of

57:21 reading).

57:22 Another DEA person; true?

57:23 A. Yes.

57:24 - 58:5

Walker, Donald 01-10-2019 (00:00:16)

DW03_Donald Walker Plaintiffs' Submission.01

57:24 Q. Kyle Wright, Chief E-Commerce

57:25 Operations from the DEA was present; right?

58:1 A. Yes.

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58:2 Q. And then Charles E. Trant, a DEA
 58:3 Chief Counsel, a lawyer, was also present; right?
 58:4 A. That's what's represented on the
 58:5 document, yes.

58:6 - 59:8

Walker, Donald 01-10-2019 (00:01:12)

DW03_Donald Walker Plaintiffs' Submission.02

58:6 Q. The next paragraph down. Could you
 58:7 read that to us. Read the next paragraph down.
 58:8 A. (Reading) The purpose of this
 58:9 meeting -- or the meeting was to
 58:10 discuss the delivery of over two
 58:11 million dosage units of hydrocodone to
 58:12 pharmacies located in Tampa, Florida,
 58:13 area alleged to be Internet pharmacies
 58:14 (end of reading).
 58:15 Q. Hadn't McKesson just met with the DEA
 58:16 four months earlier about Internet pharmacies and
 58:17 their illegal activity? Isn't that what we just
 58:18 looked at before this document? Four months earlier
 58:19 you had a meeting; correct?
 58:20 A. McKesson participated in a meeting in
 58:21 September --
 58:22 Q. About Internet pharmacy --
 58:23 A. -- 2005.
 58:24 Q. About Internet pharmacies and illegal
 58:25 activity; right?
 59:1 A. As was represented in the document,
 59:2 yes.
 59:3 Q. And what you have just read to us, it
 59:4 looks like the DEA is bringing you back four months
 59:5 later, because McKesson sold two million dosages of
 59:6 hydrocodone to Internet pharmacies after that
 59:7 meeting; right? That's the purpose of this next
 59:8 meeting?

59:11 - 59:16

Walker, Donald 01-10-2019 (00:00:19)

DW03_Donald Walker Plaintiffs' Submission.03

59:11 Q. True?
 59:12 A. I don't know that to be accurate.
 59:13 What is stated here is the delivery of two million
 59:14 dosages of units of hydrocodone to pharmacies in that
 59:15 area, which is --
 59:16 Q. It says Internet pharmacies --

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59:20 - 60:6

Walker, Donald 01-10-2019 (00:00:26)

DW03_Donald Walker Plaintiffs' Submission.04

59:20 THE WITNESS: Internet pharmacies, but it
59:21 didn't specify the time frame that they are referring
59:22 to.

59:23 BY MR. KENNEDY:

59:24 Q. Oh, we are going to get to the time
59:25 frame. Because two million doses of hydrocodone,
60:1 sir, you know from your 20, 30 years of experience,
60:2 that's a lot of hydrocodone drug; is it not? That's
60:3 a lot?

60:4 A. Depending on the time frame, Counsel.

60:5 And I can't answer whether that's an appropriate
60:6 number or an excessive number.

60:21 - 62:17

Walker, Donald 01-10-2019 (00:01:43)

DW03_Donald Walker Plaintiffs' Submission.05

60:21 Q. Okay. Bullet point No. 1, they are
60:22 referencing the first meeting that took place four
60:23 months earlier. And this first bullet point states:

60:24 (Reading) A meeting between McKesson
60:25 Corp and E-Commerce Section -- that

61:1 would be the DEA -- was held

61:2 September 1, 2005, at which time

61:3 McKesson Corp. was given a full

61:4 detailed briefing of the OD

61:5 Distributor's initiative to address

61:6 the Internet pharmacy problem.

61:7 McKesson Corp. was provided a briefing

61:8 book covering the briefing and all

61:9 supporting documentation (end of

61:10 reading).

61:11 So they are talking about the meeting that

61:12 took place four months earlier about the Internet

61:13 pharmacies; correct?

61:14 A. I believe that's correct.

61:15 Q. The next bullet:

61:16 (Reading) Issues to be considered were

61:17 frequency of orders, size of orders,

61:18 range of product purchases, and

61:19 percentage of controlled versus

61:20 non-controlled (end of reading).

61:21 Did I read that right?

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61:22 A. Yes.

61:23 Q. And, again, they are talking about

61:24 that meeting on September 1. The next bullet point:

61:25 (Reading) Current controlled

62:1 substances being abused via the

62:2 Internet were identified as

62:3 hydrocodone, alprazolam and

62:4 Phentermine (end of reading).

62:5 Do you see that?

62:6 A. Yes.

62:7 Q. Look at that last bullet, though.

62:8 Let's focus on that last bullet, because they are

62:9 talking -- they are reflecting back on the meeting

62:10 that took place four months earlier. And the DEA in

62:11 that last bullet point states:

62:12 (Reading) Specifically addressed

62:13 concerns with United Prescription

62:14 Services, a current customer of

62:15 McKesson's (end of reading).

62:16 Do you see that, sir?

62:17 A. Yes, I see what's written.

63:2 - 64:18

Walker, Donald 01-10-2019 (00:01:49)

DW03_Donald Walker Plaintiffs' Submission.28

63:2 Q. The next bullet point on the next

63:3 page, it next states, "On October 6, 2005" -- that

63:4 would be one month after the September 1 meeting;

63:5 true?

63:6 A. Yes.

63:7 Q. It states:

63:8 (Reading) On October 6, 2005,

63:9 Mr. Mapes" -- and he's from the DEA --

63:10 called Mr. Gilbert (end of reading).

63:11 And he's from McKesson; right?

63:12 A. Mr. Gilbert was our outside counsel.

63:13 Q. So you've got on September 6, one

63:14 month after the DEA meeting.

63:15 (Reading) Mr. Mapes, of the DEA, calls

63:16 McKesson's lawyer to discuss comments

63:17 the E-Commerce Section -- and that's

63:18 the DEA -- to discuss comments the

63:19 E-Commerce Section had received that

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63:20 McKesson Corp. was not taking the
 63:21 Internet pharmacy problem seriously.
 63:22 Mr. Mapes, DEA, was assured by
 63:23 Mr. Gilbert that McKesson Corp. was
 63:24 taking the matters seriously and
 63:25 working to change their procedures
 64:1 (end of reading).

64:2 Did I read that right?

64:3 A. Yes.

64:4 Q. On October -- next bullet point.

64:5 This is four days later. So you've had a meeting on
 64:6 September 1; they called you a month later saying
 64:7 you're not taking it serious; and four days later
 64:8 does this bullet point state:

64:9 (Reading) On October 10, 2005, a DEA
 64:10 investigator from the Tampa District
 64:11 Office contacted Bill Mahoney at the
 64:12 McKesson Distribution Center in
 64:13 Lakeland, Florida, and expressed
 64:14 concerns of hydrocodone sales to
 64:15 United Prescription Services (end of
 64:16 reading)?

64:17 Did I read that right?

64:18 A. Yes.

64:25 - 65:3

Walker, Donald 01-10-2019 (00:00:09)

DW03_Donald Walker Plaintiffs' Submission.07

64:25 Q. A month and nine days after being
 65:1 warned about United Prescription Services, McKesson
 65:2 is getting a call and warning them again; true? Is
 65:3 that what that bullet point says?

65:5 - 65:6

Walker, Donald 01-10-2019 (00:00:01)

DW03_Donald Walker Plaintiffs' Submission.08

65:5 THE WITNESS: That's what's in the document.
 65:6 BY MR. KENNEDY:

65:16 - 66:11

Walker, Donald 01-10-2019 (00:00:56)

DW03_Donald Walker Plaintiffs' Submission.09

65:16 Q. So it states:
 65:17 (Reading) The E-Commerce Section of
 65:18 the DEA retrieved the ARCOS data which
 65:19 revealed that between October 10 and
 65:20 October 21, 2005, the following
 65:21 alleged Internet pharmacies received
 65:22 the identified quantities of

65:23 hydrocodone (end of reading).

65:24 Remember, you said you can't tell us whether

65:25 or not two million dosages was a lot, it depends on

66:1 the time frame; right? Remember you just -- you just

66:2 told us that, and how many people you're selling to

66:3 in the time frame; right?

66:4 A. Yes.

66:5 Q. We're talking about an 11-day period

66:6 here; are we not? The E-Commerce Section received

66:7 ARCOS data which revealed that between October 10 and

66:8 October 20, 2005, the following alleged Internet

66:9 pharmacies received the identified quantities of

66:10 hydrocodone. We're talking about 11 days; right? Is

66:11 that what we're talking about, 11 days?

66:13 - 67:2 **Walker, Donald 01-10-2019 (00:00:43)**

DW03_Donald Walker Plaintiffs' Submission.03

66:13 THE WITNESS: That's what's documented.

66:14 BY MR. KENNEDY:

66:15 Q. It says here, United Prescription

66:16 Services -- after being warned about them, it says

66:17 here, does it not, that McKesson in this 11 days

66:18 distributed them 252,100 units of hydrocodone; is

66:19 that what it says?

66:20 A. That's what it says and is alleged

66:21 here, yes.

66:22 Q. You know that at this point in time,

66:23 the DEA, their statistics in ARCOS, were showing that

66:24 the average monthly, average monthly distribution by

66:25 a distributorship of McKesson was 5,000 units of

67:1 hydrocodone? Do you remember that? Remember that

67:2 communication, all during this period?

67:4 - 67:12 **Walker, Donald 01-10-2019 (00:00:27)**

DW03_Donald Walker Plaintiffs' Submission.01

67:4 THE WITNESS: I recall DEA indicating that

67:5 5,000 doses of controlled substances was average.

67:6 BY MR. KENNEDY:

67:7 Q. That's an average monthly dose;

67:8 right?

67:9 A. That's what I recall.

67:10 Q. And, sir, so McKesson sends to United

67:11 Prescription Services in an 11-day period, 50 times,

67:12 50 times the monthly dosage; is that what it says?

DW03_Donald Walker Plaintiffs' Submission

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67:14 - 67:23

Walker, Donald 01-10-2019 (00:00:23)

DW03_Donald Walker Plaintiffs' Submission.02

67:14 THE WITNESS: That's what the document says.

67:15 BY MR. KENNEDY:

67:16 Q. So I think you told us a couple

67:17 minutes ago, to tell us whether or not the amount

67:18 that you folks are distributing into a pharmacy, you

67:19 need to know the time frame and the number of

67:20 pharmacies.

67:21 Can we agree that if McKesson send 50 times,

67:22 50 times the monthly dosage in 11 days, that's

67:23 inappropriate? That's too much?

68:2 - 69:8

Walker, Donald 01-10-2019 (00:01:55)

DW03_Donald Walker Plaintiffs' Submission.03

68:2 Q. Would you agree with that?

68:3 A. No, I don't agree specifically,

68:4 because -- not understanding their pharmacies across

68:5 the country, that have a wide variety of business

68:6 models that require substantial quantities of

68:7 controlled substances. And it also is based on DEA's

68:8 average.

68:9 Our view was that DEA -- how they calculated

68:10 their average, we didn't understand. So their

68:11 alleged average, whether it's accurate or not, we

68:12 didn't know.

68:13 Q. Let me ask you this. Forget the

68:14 averages and forget everything else. You were

68:15 involved in this, sir, for how many years?

68:16 A. Probably 15 years in the role.

68:17 Q. Given your background, experience, as

68:18 we sit here today, sir, can you agree with me that if

68:19 McKesson sent 250,000 units of hydrocodone to a

68:20 single pharmacy in 11 days, sir, that is absolutely,

68:21 positively, an extraordinary amount that should never

68:22 have been shipped? Could we agree with that?

68:23 A. What I would agree with is that we

68:24 were -- all of these pharmacies were licensed and

68:25 registered pharmacies, registered by the DEA, and we

69:1 were filling prescriptions that were submitted to us,

69:2 you know, based on a licensed pharmacy coming from a

69:3 licensed prescription.

69:4 Q. Sir, McKesson lost its license in six

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69:5 different distribution centers and was fined
 69:6 \$13 million for this, and you're sitting here telling
 69:7 us that sending 250,000 units of hydrocodone in 11
 69:8 days is appropriate? Is that what you're telling us?

69:10 - 69:20 **Walker, Donald 01-10-2019 (00:00:32)**
 69:10 THE WITNESS: What I can assure you is that
 69:11 we were fulfilling orders for pharmacies that were
 69:12 licensed and registered by the DEA and were
 69:13 submitting to us orders.
 69:14 BY MR. KENNEDY:
 69:15 Q. The next bullet down, it says during
 69:16 an 11-day period you sent Universal Rx 254,700 units
 69:17 of hydrocodone. Is that what it says next?
 69:18 A. That's what the document says.
 69:19 Q. That would be 50 times the national
 69:20 average, would it not, for a full month; true?

69:23 - 70:3 **Walker, Donald 01-10-2019 (00:00:13)**
 69:23 Q. Is that right?
 69:24 A. The --
 69:25 Q. Did I did do the division right? If
 70:1 I put 50 into 250,000, it's about 50 times the
 70:2 national average. Is that -- is my math right? I
 70:3 suppose that's what I'm asking.

70:5 - 70:20 **Walker, Donald 01-10-2019 (00:00:44)**
 70:5 THE WITNESS: Again, the document indicates
 70:6 that we shipped 250,000 dose units in -- in that time
 70:7 frame. I don't have any independent knowledge of, A,
 70:8 whether the quantities alleged is correct because I
 70:9 don't have the original information or data; nor, as
 70:10 I stated, the average, whether it was correct --
 70:11 BY MR. KENNEDY:
 70:12 Q. Well, sir --
 70:13 A. Based on DEA's view.
 70:14 Q. -- you don't have any knowledge
 70:15 whether these are correct? You were directly
 70:16 involved with this memo from the beginning, and this
 70:17 led to negotiations and a settlement, and McKesson
 70:18 losing its license to distribute opioids and a
 70:19 \$13 million fine; did it not? You were directly
 70:20 involved with that; were you not?

DW03_Donald Walker Plaintiffs' Submission.01

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70:22 - 71:6

Walker, Donald 01-10-2019 (00:00:22)

DW03_Donald Walker Plaintiffs' Submission.07

70:22 THE WITNESS: I was directly involved in the
70:23 settlement with DEA and the penalties that were
70:24 associated with that.

70:25 ///

71:1 BY MR. KENNEDY:

71:2 Q. And you said you don't know whether
71:3 these numbers are accurate. Did McKesson ever, ever,
71:4 in fighting its suspension and the \$13 million fine,
71:5 did they ever claim that the numbers were inaccurate,
71:6 ever?

71:9 - 71:19

Walker, Donald 01-10-2019 (00:00:36)

DW03_Donald Walker Plaintiffs' Submission.08

71:9 Q. You were directly involved. Did they
71:10 ever say, well, we didn't really sell all that, ever?
71:11 A. I don't recall that we have ever had
71:12 the discussion with DEA around those numbers.
71:13 Q. It next states, "Avee Pharmacy." You
71:14 sold those folks, a single pharmacy, 520,000 units of
71:15 hydrocodone in 11 days. Is that what it says?
71:16 A. That's what the document says.
71:17 Q. That's a hundred times the 30-day
71:18 national average. And McKesson did that in 11 days;
71:19 is that -- is that right? Is my math right?

71:22 - 72:5

Walker, Donald 01-10-2019 (00:00:23)

DW03_Donald Walker Plaintiffs' Submission.09

71:22 Q. Is that right, sir?
71:23 A. Again, using those numbers, as I
71:24 stated earlier, the average, whether that's correct
71:25 or incorrect. But if that's what's alleged here,
72:1 then your math is correct.

72:2 BY MR. KENNEDY:

72:3 Q. And then Medipharma Rx, 500,900 in 11
72:4 days. Again, if my math is correct, that's a hundred
72:5 times the national average in 11 days; right?

72:7 - 72:13

Walker, Donald 01-10-2019 (00:00:18)

DW03_Donald Walker Plaintiffs' Submission.10

72:7 THE WITNESS: Again, the way you calculate
72:8 it, using that average and these documented numbers,
72:9 your math would be right.

72:10 BY MR. KENNEDY:

72:11 Q. And then to the Accumed Pharmacy,
72:12 404,400. And that would be 80 times the national

DW03_Donald Walker Plaintiffs' Submission

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72:17 - 72:18 72:13 average; would it not?
Walker, Donald 01-10-2019 (00:00:04)

DW03_Donald Walker Plaintiffs' Submission.71

72:17 A. Again, using your calculations, that
 72:18 would be 80 times.

73:5 - 74:3 **Walker, Donald 01-10-2019 (00:01:13)**

DW03_Donald Walker Plaintiffs' Submission.72

73:5 Q. Mr. Walker, we just went through the
 73:6 DEA's outline of McKesson's sale of two million
 73:7 hydrocodones to six different pharmacies. I'm going
 73:8 to go back for a second. I'm going to stop there on
 73:9 this memo and reflect upon what you told us earlier.
 73:10 This was your statement earlier with respect
 73:11 to McKesson's responsibility; correct? Remember
 73:12 going through that?

73:13 A. Yes.

73:14 Q. And Mr. Walker said, "McKesson's
 73:15 responsibility was they were responsible to comply
 73:16 with the Code of Federal Regulations in the handling
 73:17 and distribution of controlled substances." That was
 73:18 your statement with respect to McKesson's
 73:19 responsibility; true?

73:20 A. Yes, it was.

73:21 Q. Hydrocodone is a controlled
 73:22 substance; right?

73:23 A. Yes, it is.

73:24 Q. Can we agree that if McKesson -- as
 73:25 the DEA has outlined here, if McKesson distributed
 74:1 two million hydrocodones in 11 days to just six
 74:2 pharmacies, that McKesson did not live up to the
 74:3 responsibility that you have told us that they had?

74:6 - 74:15 **Walker, Donald 01-10-2019 (00:00:30)**

DW03_Donald Walker Plaintiffs' Submission.73

74:6 Q. Would you agree?

74:7 A. No, I wouldn't agree with that
 74:8 statement.

74:9 Q. So -- just so we're clear here. On
 74:10 the record here today, under your oath, it's your
 74:11 position that the sale of two million hydrocodones in
 74:12 11 days to six pharmacies is consistent with and
 74:13 comports with McKesson's responsibility to comply
 74:14 with Federal Regulations in the handling and
 74:15 distribution of controlled substances; is that --

DW03_Donald Walker Plaintiffs' Submission

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74:18 - 74:18	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.16
	74:18 Q. -- is that your testimony here?	
74:21 - 74:22	Walker, Donald 01-10-2019 (00:00:02)	DW03_Donald Walker Plaintiffs' Submission.15
	74:21 Q. Is that your testimony? I want to be	
	74:22 very clear.	
74:24 - 75:13	Walker, Donald 01-10-2019 (00:00:40)	DW03_Donald Walker Plaintiffs' Submission.16
	74:24 THE WITNESS: I don't agree with your	
	74:25 original statement. What I would state is that we	
	75:1 complied with the regulations regarding the	
	75:2 distribution. We reported to DEA. We sold only to	
	75:3 licensed pharmacies who had a licensed physician's	
	75:4 prescriptions. And we managed the security of our	
	75:5 controlled substances in compliance with the	
	75:6 regulations.	
	75:7 BY MR. KENNEDY:	
	75:8 Q. That wasn't my question. But you	
	75:9 just said you reported to the DEA. Am I correct that	
	75:10 not one single one, not one single one of these	
	75:11 orders that added up to two million hydrocodones in	
	75:12 11 days, not one single one of them was reported to	
	75:13 the DEA; isn't that the fact?	
75:16 - 75:16	Walker, Donald 01-10-2019 (00:00:00)	DW03_Donald Walker Plaintiffs' Submission.17
	75:16 Q. That's the fact?	
75:18 - 75:19	Walker, Donald 01-10-2019 (00:00:03)	DW03_Donald Walker Plaintiffs' Submission.16
	75:18 THE WITNESS: I have no knowledge of that	
	75:19 either way.	
75:20 - 76:1	Walker, Donald 01-10-2019 (00:00:19)	DW03_Donald Walker Plaintiffs' Submission.19
	75:20 BY MR. KENNEDY:	
	75:21 Q. Sir, you sat through the meetings,	
	75:22 the negotiations, the pleadings, and all of the legal	
	75:23 proceedings with respect to this event; did you not?	
	75:24 A. No, that's not accurate. I did not	
	75:25 sit through all the meetings and negotiations that	
	76:1 took place between counsels.	
76:2 - 76:7	Walker, Donald 01-10-2019 (00:00:14)	DW03_Donald Walker Plaintiffs' Submission.18
	76:2 Q. Did you sign the agreement with the	
	76:3 DEA in relation to these violations, these sales of	
	76:4 hydrocodones? Did you sign the very settlement	
	76:5 agreement; sir?	
	76:6 A. I signed the 2008 memorandum	

DW03_Donald Walker Plaintiffs' Submission

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76:8 - 76:16

76:7 agreement, yes.

Walker, Donald 01-10-2019 (00:00:28)

DW03_Donald Walker Plaintiffs' Submission.01

76:8 Q. Let me back up, because I just -- I

76:9 just want to be clear about it.

76:10 Is it your position, sir -- not in general

76:11 terms but with respect to the specifics, is it your

76:12 position that the sale of two million hydrocodones in

76:13 11 days to six pharmacies comported with, was

76:14 consistent with, McKesson's responsibility to comply

76:15 with the Code of Federal Regulations in the handling

76:16 and distribution of controlled substances?

76:19 - 76:25

Walker, Donald 01-10-2019 (00:00:19)

DW03_Donald Walker Plaintiffs' Submission.01

76:19 Q. If you can answer that specific

76:20 question.

76:21 A. We specifically complied with the

76:22 regulations as associated with the reporting of

76:23 suspicious orders and guarding against diversion

76:24 through the security and controls that we put in

76:25 place to handle controlled substances.

77:25 - 78:19

Walker, Donald 01-10-2019 (00:00:43)

DW03_Donald Walker Plaintiffs' Submission.01

77:25 You were at this meeting; were you not?

78:1 A. I was at that meeting.

78:2 Q. The memo says, with regard to that

78:3 meeting:

78:4 (Reading) Mr. Rannazzisi -- he's of

78:5 the DEA -- then addressed the

78:6 representatives of McKesson and

78:7 informed them that it was his

78:8 concerted opinion that based upon the

78:9 information presented, the DEA needed

78:10 to ask for the surrender of McKesson's

78:11 Lakeland Distribution Senator --

78:12 Center registration or the DEA would

78:13 pursue an Order to Show Cause against

78:14 the DEA registrant of the McKesson

78:15 facility in Lakeland, Florida (end of

78:16 reading).

78:17 Is that what you were told at that meeting,

78:18 that they wanted McKesson's registration? Is that

78:19 what you were told?

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78:21 - 79:10

Walker, Donald 01-10-2019 (00:00:36)

DW03_Donald Walker Plaintiffs' Submission.01

78:21 THE WITNESS: I recall Mr. Rannazzisi in
 78:22 that meeting requesting that we surrender our
 78:23 Lakeland, Florida, registration.
 78:24 BY MR. KENNEDY:
 78:25 Q. And that means you're not going to be
 79:1 able to sell narcotics to pharmacies: Right? If you
 79:2 have got to give your registration back, that's what
 79:3 that means?
 79:4 A. If a registration is suspended or
 79:5 revoked, then you're unable to sell controlled
 79:6 substances.
 79:7 Q. So when you say selling two million
 79:8 pills in 11 days is okay, that you're fulfilling your
 79:9 responsibility under the regulations, the DEA didn't
 79:10 agree with that; did they?

79:13 - 79:13

Walker, Donald 01-10-2019 (00:00:01)

DW03_Donald Walker Plaintiffs' Submission.02

79:13 Q. They want your registration?

79:15 - 79:16

Walker, Donald 01-10-2019 (00:00:05)

DW03_Donald Walker Plaintiffs' Submission.03

79:15 THE WITNESS: The DEA requested we surrender
 79:16 our registration during that meeting.

79:17 - 79:19

Walker, Donald 01-10-2019 (00:00:02)

DW03_Donald Walker Plaintiffs' Submission.04

79:17 BY MR. KENNEDY:

79:18 Q. And you ended up surrendering your
 79:19 registration; didn't you?

79:21 - 79:24

Walker, Donald 01-10-2019 (00:00:13)

DW03_Donald Walker Plaintiffs' Submission.05

79:21 THE WITNESS: Counsel, that's not correct.
 79:22 We had a limited suspension of certain controlled
 79:23 substances from certain distribution centers, is the
 79:24 result of the agreement with DEA.

80:2 - 80:22

Walker, Donald 01-10-2019 (00:00:44)

DW03_Donald Walker Plaintiffs' Submission.06

80:2 Q. We will look at that specifically.
 80:3 Let's go down to -- after some bullet points, I want
 80:4 to go down to the paragraph that starts with
 80:5 "Through."
 80:6 Do you see this paragraph that starts with
 80:7 "Through"?
 80:8 (Reading) Through the course of the
 80:9 above discussion, McKesson Corp., by
 80:10 their own admission, was unable to

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80:11 provide a plausible explanation for
 80:12 the sales of over two million dosage
 80:13 units of hydrocodone, in a 21-day
 80:14 period, to pharmacies previously
 80:15 identified by DEA to McKesson Corp.
 80:16 (end of reading).
 80:17 Do you see that?
 80:18 A. I see what's written there, yes.
 80:19 Q. Do you remember that, that all these
 80:20 folks at McKesson are sitting there with your
 80:21 lawyers, and you can't explain how you did this? Do
 80:22 you remember that?

80:24 - 81:1

Walker, Donald 01-10-2019 (00:00:05)

DW03_Donald Walker Plaintiffs' Submission.00

80:24 THE WITNESS: I don't recall any specific
 80:25 discussion with the DEA around that. So the answer
 81:1 is --

81:2 - 81:6

Walker, Donald 01-10-2019 (00:00:02)

DW03_Donald Walker Plaintiffs' Submission.01

81:2 BY MR. KENNEDY:
 81:3 Q. Do you remember -- do you remember
 81:4 saying --
 81:5 MS. HENN: Counsel, can you make sure to let
 81:6 him finish.

81:8 - 81:20

Walker, Donald 01-10-2019 (00:00:33)

DW03_Donald Walker Plaintiffs' Submission.02

81:8 Q. Do you remember you folks at McKesson
 81:9 telling the DEA at this meeting, there's nothing
 81:10 wrong with two million pills in 11 days; we fulfilled
 81:11 our responsibility under the regulations? Do you
 81:12 remember saying that to them at this meeting?
 81:13 A. No, I don't remember saying anything
 81:14 like that.
 81:15 Q. You said earlier you weren't sure
 81:16 whether these numbers, this two million, they were
 81:17 accurate. Any indication on here that you looked at
 81:18 the DEA at that meeting and said that two million,
 81:19 that two million hydrocodones isn't accurate? Any
 81:20 indication of that, or do you have a memory of that?

81:22 - 82:19

Walker, Donald 01-10-2019 (00:00:57)

DW03_Donald Walker Plaintiffs' Submission.03

81:22 THE WITNESS: I don't have a recollection of
 81:23 that one way or the other.
 81:24 BY MR. KENNEDY:

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81:25 Q. Let's look at the last paragraph on
 82:1 that page. It states that:
 82:2 (Reading) After the conclusion of this
 82:3 meeting, it was learned from Gary
 82:4 Hilliard of McKesson that one of the
 82:5 reasons they were not able to realize
 82:6 the full volume of hydrocodone product
 82:7 going out to Florida pharmacies was
 82:8 that their reports only included the
 82:9 name brand hydrocodone products
 82:10 distributed and was -- next page --
 82:11 and was leaving out the generic
 82:12 products. It was only after realizing
 82:13 that the generic were not being
 82:14 reported was McKesson Corp. then able
 82:15 to see the large quantities that DEA
 82:16 was bringing to McKesson's attention
 82:17 (end of reading).
 82:18 Did I read that right?
 82:19 A. Yes.

82:20 - 82:25

Walker, Donald 01-10-2019 (00:00:27)

DW03_Donald Walker Plaintiffs' Submission.06

82:20 Q. It doesn't say here that you went
 82:21 back and looked and the DEA was wrong; does it?
 82:22 A. What is documented here is that
 82:23 Mr. Mapes reportedly had a conversation with Gary
 82:24 Hilliard. I'm not directly familiar with that
 82:25 conversation.

83:1 - 83:20

Walker, Donald 01-10-2019 (00:01:12)

DW03_Donald Walker Plaintiffs' Submission.06

83:1 Q. This is 2006, and McKesson discovers
 83:2 at this point that its reports did not include the
 83:3 sales of generic hydrocodones; isn't that what it
 83:4 indicates?
 83:5 A. That's what's documented here.
 83:6 Q. And tell the jury what generic
 83:7 hydrocodones are.
 83:8 A. In all pharmaceuticals or medicines,
 83:9 as a brand drug comes to market, it stays brand for a
 83:10 period of time, at which time a generic drug can be
 83:11 manufactured that has the same pharmacological
 83:12 characteristics as the brand medication. So it's

DW03_Donald Walker Plaintiffs' Submission

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83:13 very common in pharmaceutical industry for generics.

83:14 Amoxicillin is probably the best example that

83:15 everybody would know.

83:16 Q. And, sir, the majority of

83:17 hydrocodones that McKesson was selling were generic;

83:18 were they not?

83:19 A. I do not know what quantities were

83:20 brand versus generic at that point in time.

83:21 - 83:24

Walker, Donald 01-10-2019 (00:00:08)

DW03_Donald Walker Plaintiffs' Submission.98

83:21 Q. In a general sense, that has always

83:22 been true at McKesson? You sell more generics than

83:23 you do brand name controlled substances; hasn't that

83:24 always be true?

84:1 - 84:2

Walker, Donald 01-10-2019 (00:00:02)

DW03_Donald Walker Plaintiffs' Submission.99

84:1 THE WITNESS: Again, I don't have any

84:2 specific knowledge one way or the other.

84:4 - 84:7

Walker, Donald 01-10-2019 (00:00:12)

DW03_Donald Walker Plaintiffs' Submission.100

84:4 Q. Let me ask you this. If you weren't

84:5 tracking generic drugs with your reporting and your

84:6 tracking, if you weren't tracking hydrocodone, can we

84:7 agree you weren't tracking oxycodone either; true?

84:10 - 84:10

Walker, Donald 01-10-2019 (00:00:00)

DW03_Donald Walker Plaintiffs' Submission.101

84:10 Q. Is that what you discovered?

84:12 - 84:13

Walker, Donald 01-10-2019 (00:00:03)

DW03_Donald Walker Plaintiffs' Submission.102

84:12 THE WITNESS: There -- I had no indication

84:13 that we weren't tracking oxycodone.

84:14 - 84:19

Walker, Donald 01-10-2019 (00:00:09)

DW03_Donald Walker Plaintiffs' Submission.103

84:14 BY MR. KENNEDY:

84:15 Q. Are you -- are you representing to

84:16 the jury that you had one system of tracking for

84:17 hydrocodones and a totally different system of

84:18 tracking for oxycodones? Is that what you're telling

84:19 us, sir?

84:21 - 85:6

Walker, Donald 01-10-2019 (00:00:30)

DW03_Donald Walker Plaintiffs' Submission.104

84:21 THE WITNESS: No, that's not accurate. Our

84:22 overall system was one and the same. The inputs into

84:23 that system could have potentially created a void in

84:24 the reporting of hydrocodone and had nothing to do

84:25 with oxycodone.

85:1 BY MR. KENNEDY:

DW03_Donald Walker Plaintiffs' Submission

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85:2 Q. Is that what was happening, sir? You
 85:3 were in the middle of this. Is that what was
 85:4 happening, your system wasn't tracking generic
 85:5 hydrocodones but, indeed, was tracking generic
 85:6 oxycodones? Is that what was happening?

85:8 - 85:15

Walker, Donald 01-10-2019 (00:00:18)

DW03_Donald Walker Plaintiffs' Submission:183

85:8 THE WITNESS: I don't recall specifically.
 85:9 I do recall we had an issue with our system at the
 85:10 time. But I don't recall the specifics of that.
 85:11 BY MR. KENNEDY:

85:12 Q. Sir, if your system was not tracking
 85:13 hydrocodones, generic hydrocodones in '05, then it
 85:14 wasn't tracking them in '04 or '03 or '02 or '01;
 85:15 true?

85:18 - 85:18

Walker, Donald 01-10-2019 (00:00:01)

DW03_Donald Walker Plaintiffs' Submission:184

85:18 Q. It never had been?

85:20 - 86:3

Walker, Donald 01-10-2019 (00:00:20)

DW03_Donald Walker Plaintiffs' Submission:185

85:20 THE WITNESS: I can't speculate on if this
 85:21 was taking place, when it started, and to the extent
 85:22 that it took place.

85:23 BY MR. KENNEDY:

85:24 Q. Sir, you were in charge at that
 85:25 point. Didn't you say to Mr. Hilliard and the folks
 86:1 working for you, how long has this been going on,
 86:2 that we haven't been tracking generic hydrocodones?
 86:3 Did you ask?

86:5 - 86:16

Walker, Donald 01-10-2019 (00:00:48)

DW03_Donald Walker Plaintiffs' Submission:186

86:5 THE WITNESS: I don't recall having any
 86:6 specific request or discussions around this.

86:7 BY MR. KENNEDY:

86:8 Q. Sir, McKesson had the duty since 1970
 86:9 to identify and report suspicious orders of
 86:10 controlled substances; did they not?
 86:11 A. I don't know specifically when the
 86:12 CFR was generated. It was in the early '70s. But in
 86:13 the time that I was there, we had the responsibility.
 86:14 Q. And that included generic
 86:15 hydrocodones, did it not, that duty, that
 86:16 responsibility?

86:19 - 86:21

Walker, Donald 01-10-2019 (00:00:10)

DW03_Donald Walker Plaintiffs' Submission:187

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86:19 THE WITNESS: We were responsible to report
 86:20 the sales of all pharmaceutical or controlled
 86:21 substances that were reportable to the DEA.

87:15 - 87:16 **Walker, Donald 01-10-2019 (00:00:06)**

DW03_Donald Walker Plaintiffs' Submission:108

87:15 Q. Including generic hydrocodone; true?

87:16 A. Including generic hydrocodone, yes.

88:4 - 88:14 **Walker, Donald 01-10-2019 (00:00:28)**

DW03_Donald Walker Plaintiffs' Submission:109

88:4 Q. Branded versus generic aren't

88:5 different chemically?

88:6 A. Generally, my understanding is that

88:7 they were very close, if not identical, in terms of

88:8 chemical makeup. But, again, I don't have the level

88:9 of expertise to testify absolutely that they were the

88:10 same.

88:11 Q. Generic hydrocodone, sir, your

88:12 understanding generic hydrocodone was just as likely

88:13 to cause an overdose and death as a named brand

88:14 hydrocodone; true?

88:16 - 88:18 **Walker, Donald 01-10-2019 (00:00:10)**

DW03_Donald Walker Plaintiffs' Submission:110

88:16 THE WITNESS: My understanding is that

88:17 generic hydrocodone, as it's designed for medical

88:18 purposes, it was the same as brand hydrocodone.

88:19 - 89:3 **Walker, Donald 01-10-2019 (00:00:37)**

DW03_Donald Walker Plaintiffs' Submission:111

88:19 BY MR. KENNEDY:

88:20 Q. Sir, at this point in time, with

88:21 respect to McKesson's coming to understand in 2006

88:22 that they weren't tracking generic hydrocodones,

88:23 would that have been true nationwide? You didn't

88:24 have a different system before; did you? That would

88:25 have been true nationwide?

89:1 A. Our system was a national system.

89:2 So, yes, anything that occurred in Florida would have

89:3 been consistent across the country.

89:7 - 89:13 **Walker, Donald 01-10-2019 (00:00:22)**

DW03_Donald Walker Plaintiffs' Submission:112

89:7 Q. West Virginia?

89:8 A. Again, we service all 50 states.

89:9 Q. And you don't know how long this had

89:10 been going on? Is that your testimony today, you

89:11 don't know how long it was prior to '06, prior to

89:12 '05, that McKesson was not tracking its sales and

DW03_Donald Walker Plaintiffs' Submission

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89:16 - 89:18 89:13 distribution of generic hydrocodone; is that true?

Walker, Donald 01-10-2019 (00:00:10)

DW03_Donald Walker Plaintiffs' Submission:113

89:16 THE WITNESS: I do not know the time frame,
89:17 whether it was a point in time or occurred over a
89:18 period of time. So the answer is, I do not know.

98:14 - 98:24 **Walker, Donald 01-10-2019 (00:00:50)**

DW03_Donald Walker Plaintiffs' Submission:114

98:14 Q. Sir, we've -- we have been talking
98:15 about -- we've been talking about McKesson's sale of
98:16 two million hydrocodones in an 11-day period in
98:17 October of 2005. Do you remember all those questions
98:18 we had been going through?

98:19 A. Yes, I remember the questions.

98:20 Q. Isn't it a fact -- isn't it a fact

98:21 that in addition to the two million dosages in
98:22 October of '05, McKesson did not stop there; they
98:23 continued to sell massive amounts of hydrocodones
98:24 even after October of '05? Isn't that true?

99:2 - 99:5 **Walker, Donald 01-10-2019 (00:00:09)**

DW03_Donald Walker Plaintiffs' Submission:115

99:2 Q. Do you remember that --

99:3 A. I don't -- I don't know what specific

99:4 quantities of hydrocodone we sold, you know, after
99:5 that period of time.

99:6 - 99:9 **Walker, Donald 01-10-2019 (00:00:13)**

DW03_Donald Walker Plaintiffs' Submission:116

99:6 (Exhibit No. 693 was marked.)

99:7 BY MR. KENNEDY:

99:8 Q. Showing you what has been marked as

99:9 Exhibit 693. 693, all right,

99:9 - 99:9 **Walker, Donald 01-10-2019 (00:00:14)**

DW03_Donald Walker Plaintiffs' Submission:117

99:9 which is No. -497154.

99:10 - 100:5 **Walker, Donald 01-10-2019 (00:01:03)**

DW03_Donald Walker Plaintiffs' Submission:118

99:10 Go to the second page, if you would. And I
99:11 believe this is a document prepared by the DEA and
99:12 provided to us by McKesson.

99:13 Do you see the chart on page -155? Do you
99:14 see that?

99:15 A. Yes.

99:16 Q. Now, this is McKesson hydrocodone
99:17 sales and distributions from October 1, now, to
99:18 January 31, a four-month period. We've been talking
99:19 about just 11 days in October.

DW03_Donald Walker Plaintiffs' Submission

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	99:20 This is a four-month period; do you see	
	99:21 that?	
	99:22 A. Yes.	
	99:23 Q. This is in Florida, just Florida;	
	99:24 all right?	
	99:25 Look at Accumed. This four-month period,	
	100:1 1,110,000. 1,110,900, in a four-month period. Do	
	100:2 you see that?	
	100:3 A. I see that.	
	100:4 Q. Do you understand that's 31 times the	
	100:5 Florida average?	
100:12 - 100:13	Walker, Donald 01-10-2019 (00:00:03)	DW03_Donald Walker Plaintiffs' Submission.119
	100:12 Q. Do you see that? Do you agree with	
	100:13 that?	
100:15 - 100:21	Walker, Donald 01-10-2019 (00:00:17)	DW03_Donald Walker Plaintiffs' Submission.120
	100:15 THE WITNESS: I wouldn't agree with that or	
	100:16 disagree. I don't understand the source of the	
	100:17 numbers because it's not our information, that I'm	
	100:18 aware of, and I haven't seen this document before.	
	100:19 BY MR. KENNEDY:	
	100:20 Q. This is the DEA's -- these are the	
	100:21 DEA numbers.	
100:24 - 101:8	Walker, Donald 01-10-2019 (00:00:30)	DW03_Donald Walker Plaintiffs' Submission.121
	100:24 Q. I will ask you to assume that these	
	100:25 are the DEA numbers, and you provided -- McKesson	
	101:1 provided to us this document that the DEA created.	
	101:2 All right? You can assume that to be true.	
	101:3 And at least according to the DEA, over the	
	101:4 four-month period -- after that October event of	
	101:5 two million, in this four-month period you sold	
	101:6 Accumed 1,110,900. Do you have anything in your --	
	101:7 in your memory or documentation that would dispute	
	101:8 that number? Let me ask you that.	
101:11 - 101:18	Walker, Donald 01-10-2019 (00:00:27)	DW03_Donald Walker Plaintiffs' Submission.122
	101:11 THE WITNESS: I don't have any recollection	
	101:12 of this document or the numbers, and certainly	
	101:13 haven't conducted my own review or analysis. So I	
	101:14 can't support it or deny it.	
	101:15 BY MR. KENNEDY:	
	101:16 Q. During a four-month period, Avee	

DW03_Donald Walker Plaintiffs' Submission

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101:20 - 102:1	<p>101:17 Pharmacy, you sold them 1,754,800. Do you have 101:18 anything to dispute the DEA's number there?</p> <p>Walker, Donald 01-10-2019 (00:00:11)</p> <p>101:20 THE WITNESS: Same response, Counsel. I 101:21 don't -- I don't have any knowledge one way or the 101:22 other.</p> <p>101:23 BY MR. KENNEDY:</p> <p>101:24 Q. You do know that the DEA gets its 101:25 numbers from ARCOS; correct? The ARCOS database, 102:1 that's where the DEA gets its number; true?</p>	DW03_Donald Walker Plaintiffs' Submission.121
102:3 - 102:6	<p>Walker, Donald 01-10-2019 (00:00:06)</p> <p>102:3 THE WITNESS: I know that ARCOS is one of 102:4 the sources of DEA's data. But I don't know that 102:5 it's exclusive.</p> <p>102:6 BY MR. KENNEDY:</p>	DW03_Donald Walker Plaintiffs' Submission.124
102:7 - 102:13	<p>Walker, Donald 01-10-2019 (00:00:15)</p> <p>102:7 Q. And tell the jury who provides the 102:8 DEA with the ARCOS data on your sales. Who provides 102:9 that to them?</p> <p>102:10 A. We submit on a monthly basis, as 102:11 required by the regulation, the ARCOS data on the 102:12 sales of controlled substances that are required to 102:13 be reported.</p>	DW03_Donald Walker Plaintiffs' Submission.125
102:14 - 102:20	<p>Walker, Donald 01-10-2019 (00:00:17)</p> <p>102:14 Q. McKesson gives them the numbers on 102:15 what you're selling them; right?</p> <p>102:16 A. We provide the ARCOS data to DEA.</p> <p>102:17 Q. Bi-Wise, you sold them 384,100 in a 102:18 four-month period; right? And that's about 11 times 102:19 the Florida average. Do you have anything to 102:20 disagree with those numbers?</p>	DW03_Donald Walker Plaintiffs' Submission.126
102:23 - 103:5	<p>Walker, Donald 01-10-2019 (00:00:28)</p> <p>102:23 THE WITNESS: Again, without understanding 102:24 the source, the background of the numbers, I can't 102:25 support or deny either way.</p> <p>103:1 BY MR. KENNEDY:</p> <p>103:2 Q. Medipharma, 1.2 million. Trelles, 103:3 324,000. United Prescription, 641,000. Universal 103:4 Prescriptions, 883,000. Any way to disagree with 103:5 these numbers, sir?</p>	DW03_Donald Walker Plaintiffs' Submission.127

DW03_Donald Walker Plaintiffs' Submission

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103:9 - 103:17	Walker, Donald 01-10-2019 (00:00:27) 103:9 Q. Any way? 103:10 A. I can neither support or refute the 103:11 numbers, Counsel, because I don't understand 103:12 specifically the source. 103:13 Q. Do you recall ever saying to the DEA 103:14 your numbers, based upon ARCOS, that we provided you, 103:15 are wrong? Do you remember that, during the course 103:16 of events after -- after this date, do you remember 103:17 telling the DEA your numbers are wrong?	DW03_Donald Walker Plaintiffs' Submission.128
103:21 - 103:21	Walker, Donald 01-10-2019 (00:00:01) 103:21 Q. Do you remember that, ever?	DW03_Donald Walker Plaintiffs' Submission.129
103:23 - 104:1	Walker, Donald 01-10-2019 (00:00:08) 103:23 THE WITNESS: No, I don't recall ever having 103:24 a conversation with DEA around their numbers or any 103:25 of the data that they shared with us. 104:1 BY MR. KENNEDY:	DW03_Donald Walker Plaintiffs' Submission.130
104:2 - 104:7	Walker, Donald 01-10-2019 (00:00:23) 104:2 Q. Sir, based on this table, McKesson -- 104:3 McKesson sold seven million hydrocodone pills to 104:4 seven pharmacies in four months. Do you consider 104:5 that to be consistent with the responsibility that 104:6 you've told us about? Is that consistent with 104:7 McKesson's responsibility?	DW03_Donald Walker Plaintiffs' Submission.131
104:9 - 104:12	Walker, Donald 01-10-2019 (00:00:12) 104:9 THE WITNESS: We sold to licensed 104:10 pharmacies. I am aware we wouldn't be able to 104:11 provide any controlled substances to a pharmacy that 104:12 wasn't registered by the DEA.	DW03_Donald Walker Plaintiffs' Submission.132
104:13 - 104:22	Walker, Donald 01-10-2019 (00:00:28) 104:13 BY MR. KENNEDY: 104:14 Q. Let me ask you this. You keep -- you 104:15 keep repeating that over and over, "We sold to 104:16 licensed pharmacies." 104:17 Sir, could we agree that the responsibility 104:18 of McKesson went far beyond just making sure that you 104:19 were selling to a licensed pharmacy? 104:20 A. Our responsibility included 104:21 monitoring, reporting suspicious orders to the DEA, 104:22 and guarding against diversion.	DW03_Donald Walker Plaintiffs' Submission.133

DW03_Donald Walker Plaintiffs' Submission

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104:23 - 104:25	Walker, Donald 01-10-2019 (00:00:08) 104:23 Q. And that was a responsibility that 104:24 was far beyond just making sure that you were selling 104:25 to a pharmacy with a license; is that true?	DW03_Donald Walker Plaintiffs' Submission.134
105:2 - 105:5	Walker, Donald 01-10-2019 (00:00:07) 105:2 THE WITNESS: I wouldn't say that that's 105:3 accurate. I think our responsibility was very 105:4 specifically spelled out in the regulations, and we 105:5 adhered to those.	DW03_Donald Walker Plaintiffs' Submission.135
105:6 - 105:8	Walker, Donald 01-10-2019 (00:00:06) 105:6 BY MR. KENNEDY: 105:7 Q. And that included, number one, 105:8 identifying orders of unusual size; correct?	DW03_Donald Walker Plaintiffs' Submission.136
105:10 - 105:16	Walker, Donald 01-10-2019 (00:00:14) 105:10 THE WITNESS: In the suspicious order 105:11 regulation, unusual size is called out. 105:12 BY MR. KENNEDY: 105:13 Q. Right. And what we're looking at is 105:14 seven million units of hydrocodone in four months. 105:15 And you had the responsibility to identify orders of 105:16 unusual size; did you not?	DW03_Donald Walker Plaintiffs' Submission.137
105:19 - 106:4	Walker, Donald 01-10-2019 (00:00:29) 105:19 Q. Is that true? 105:20 A. We -- our suspicious order reporting 105:21 needed to provide and identify orders of size, 105:22 quantity, and frequency. 105:23 Q. Absolutely. And that's more than 105:24 just making sure you're selling to a pharmacy that's 105:25 got a license; right? Correct? 106:1 A. And report to the DEA. 106:2 Q. Right. And you know not one single 106:3 one of these orders of this seven million was ever 106:4 reported to the DEA, not one. Do you remember that?	DW03_Donald Walker Plaintiffs' Submission.138
106:7 - 106:7	Walker, Donald 01-10-2019 (00:00:00) 106:7 Q. Do you remember that?	DW03_Donald Walker Plaintiffs' Submission.139
106:9 - 106:15	Walker, Donald 01-10-2019 (00:00:12) 106:9 THE WITNESS: I don't know that to be 106:10 accurate either way. I don't have independent 106:11 knowledge of what we did or did not report during 106:12 that time frame regarding these pharmacies.	DW03_Donald Walker Plaintiffs' Submission.140

DW03_Donald Walker Plaintiffs' Submission

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	106:13 BY MR. KENNEDY:	
	106:14 Q. You don't remember that that is the	
	106:15 reason that you got fined \$13 million?	
106:19 - 106:23	Walker, Donald 01-10-2019 (00:00:11)	DW03_Donald Walker Plaintiffs' Submission:141
	106:19 Q. You don't remember?	
	106:20 A. I don't remember or have any	
	106:21 independent knowledge of whether or not any of these	
	106:22 pharmacies ever reported to DEA during that time	
	106:23 frame.	
109:6 - 109:10	Walker, Donald 01-10-2019 (00:00:15)	DW03_Donald Walker Plaintiffs' Submission:142
	109:6 Q. And you've told us that you believe,	
	109:7 as the boss of all of regulatory, that this was	
	109:8 consistent with your responsibility to carry out the	
	109:9 law, to regulate, and guard against diversion; is	
	109:10 that your position?	
109:12 - 109:15	Walker, Donald 01-10-2019 (00:00:10)	DW03_Donald Walker Plaintiffs' Submission:143
	109:12 THE WITNESS: As responsible for Regulatory,	
	109:13 I feel very confident that we were executing our	
	109:14 regulatory responsibilities as required under the	
	109:15 CFR.	
110:2 - 110:5	Walker, Donald 01-10-2019 (00:00:14)	DW03_Donald Walker Plaintiffs' Submission:144
	110:2 Q. Sir, isn't that the problem, the very	
	110:3 fact that you, the boss of Regulatory, think that	
	110:4 this conduct is okay? Isn't that the problem with	
	110:5 McKesson back in '05 and thereafter?	
110:7 - 110:11	Walker, Donald 01-10-2019 (00:00:11)	DW03_Donald Walker Plaintiffs' Submission:145
	110:7 THE WITNESS: Counsel, we were very focused	
	110:8 on our regulatory responsibilities, and we carried	
	110:9 out those responsibilities in the very best way that	
	110:10 we understood them in compliance with the	
	110:11 regulations.	
110:12 - 110:21	Walker, Donald 01-10-2019 (00:00:27)	DW03_Donald Walker Plaintiffs' Submission:146
	110:12 BY MR. KENNEDY:	
	110:13 Q. Sir, my question is very specific.	
	110:14 I'm talking about what we have been talking about for	
	110:15 the last hour. Isn't the fact that you, the head of	
	110:16 Regulatory, believes that it was okay for McKesson to	
	110:17 sell seven million pills to seven pharmacies in a	
	110:18 four-month period -- isn't the fact that you, the	
	110:19 head of pharmacy, thinks that that is okay, isn't	

DW03_Donald Walker Plaintiffs' Submission

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110:24 - 111:5	<p>110:20 that the problem, the underlying problem that</p> <p>110:21 McKesson had?</p> <p>Walker, Donald 01-10-2019 (00:00:18)</p> <p>110:24 THE WITNESS: Counsel, my testimony is that</p> <p>110:25 I, as the leader of our Regulatory and senior member</p> <p>111:1 of our company, believe that we were completing our</p> <p>111:2 regulatory obligations in the very best way that we</p> <p>111:3 understood them, and adherence to the regulation as</p> <p>111:4 we understood it and had been operating for many</p> <p>111:5 years.</p>	DW03_Donald Walker Plaintiffs' Submission:167
111:7 - 111:9	<p>Walker, Donald 01-10-2019 (00:00:07)</p> <p>111:7 Q. And my question to you is very</p> <p>111:8 specific. Isn't that the problem that you, a senior</p> <p>111:9 executive, thought that this was okay?</p>	DW03_Donald Walker Plaintiffs' Submission:168
111:12 - 111:20	<p>Walker, Donald 01-10-2019 (00:00:18)</p> <p>111:12 THE WITNESS: I can't answer that question,</p> <p>111:13 Counsel. I believe very strongly in my prior</p> <p>111:14 testimony.</p> <p>111:15 BY MR. KENNEDY:</p> <p>111:16 Q. And, again, even more, isn't that the</p> <p>111:17 problem, that you, the executive, the head of</p> <p>111:18 Regulatory, feel very strongly that seven million</p> <p>111:19 pills in four months is okay? Isn't that McKesson's</p> <p>111:20 problem?</p>	DW03_Donald Walker Plaintiffs' Submission:169
111:24 - 112:6	<p>Walker, Donald 01-10-2019 (00:00:21)</p> <p>111:24 THE WITNESS: Counsel, I -- again, I will</p> <p>111:25 stand by my testimony.</p> <p>112:1 BY MR. KENNEDY:</p> <p>112:2 Q. Sir, what we're looking at here, this</p> <p>112:3 massive -- this seven million pills in a four-month</p> <p>112:4 period in Florida, it wasn't just happening in</p> <p>112:5 Florida, was it? It was happening across the</p> <p>112:6 country; was it not?</p>	DW03_Donald Walker Plaintiffs' Submission:180
112:8 - 112:15	<p>Walker, Donald 01-10-2019 (00:00:17)</p> <p>112:8 THE WITNESS: I don't recall any -- any</p> <p>112:9 specific issues and don't have knowledge of what was</p> <p>112:10 occurring in the balance of the country.</p> <p>112:11 (Exhibit No. 802 was marked.)</p> <p>112:12 MR. KENNEDY: Well, sir, let's -- let me</p> <p>112:13 show you Exhibit 686.</p>	DW03_Donald Walker Plaintiffs' Submission:181

DW03_Donald Walker Plaintiffs' Submission

Page/Line	Source	ID
	112:14 (Exhibit No. 686 was marked.)	
	112:15 BY MR. KENNEDY:	
112:16 - 112:16	Walker, Donald 01-10-2019 (00:00:03)	DW03_Donald Walker Plaintiffs' Submission.152
	112:16 Q. 686 does not have Bates numbers.	
112:17 - 113:17	Walker, Donald 01-10-2019 (00:00:59)	DW03_Donald Walker Plaintiffs' Submission.153
	112:17 Sir, you indicate you don't have any knowledge of	
	112:18 McKesson -- McKesson sending massive amounts around	
	112:19 the country of hydrocodone -- excuse me,	
	112:20 hydrocodones. This is a Settlement Agreement. Look	
	112:21 at that first sentence.	
	112:22 (Reading) This is a Settlement	
	112:23 Agreement entered into on April 30th,	
	112:24 2008, between the United States	
	112:25 Department of Justice, through the	
	113:1 United States Attorney's Office, for	
	113:2 the Districts of Maryland, Middle	
	113:3 Florida, Southern Texas, Colorado,	
	113:4 Utah, and Eastern California (end of	
	113:5 reading).	
	113:6 Do you see that?	
	113:7 A. I see that.	
	113:8 Q. And the Settlement Agreement is with	
	113:9 McKesson Corporation; true?	
	113:10 A. Yes.	
	113:11 Q. You signed this document; did you	
	113:12 not?	
	113:13 A. Yes, I did.	
	113:14 Q. And that's why I'm asking, why is it	
	113:15 that you didn't have any knowledge that this was	
	113:16 going on across the country? You signed this	
	113:17 document; didn't you?	
113:19 - 113:20	Walker, Donald 01-10-2019 (00:00:04)	DW03_Donald Walker Plaintiffs' Submission.154
	113:19 THE WITNESS: I signed this document,	
	113:20 Counsel.	
122:14 - 122:15	Walker, Donald 01-10-2019 (00:00:11)	DW03_Donald Walker Plaintiffs' Submission.155
	122:14 MR. KENNEDY: 687 Exhibit starts with Bates	
	122:15 -00574724 and ends with -4744.	
122:16 - 123:18	Walker, Donald 01-10-2019 (00:01:21)	DW03_Donald Walker Plaintiffs' Submission.156
	122:16 Q. Mr. Walker, have you seen this	
	122:17 document before?	

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122:18 A. Yes, I have.

122:19 Q. And this would relate to a meeting of

122:20 "Directors of Regulatory"? Is that what it says?

122:21 A. Yes.

122:22 Q. This would have been in Dallas, March

122:23 5-6, 2008; true?

122:24 A. Yes.

122:25 Q. Do you remember who was present at

123:1 this meeting?

123:2 A. I don't remember specifically all the

123:3 participants. I know that our newly-hired Director

123:4 of Regulatory Affairs and my Regulatory staff was

123:5 there. But I don't know who else might have been

123:6 there.

123:7 Q. And the purpose of the meeting was

123:8 what?

123:9 A. As I recall, the purpose of the

123:10 meeting was to review with the Regulatory staff and

123:11 then expanded the overview of the Memorandum of

123:12 Agreement that we were moving forward with. We

123:13 hadn't signed it yet, but we were very close. So we

123:14 had the components.

123:15 Q. That was the Memorandum of Agreement

123:16 that we just talked about with the DEA, with the

123:17 Department of Justice?

123:18 A. Yes, the same memorandum.

124:13 - 124:25

Walker, Donald 01-10-2019 (00:00:41)

124:13 Q. What committees did you sit on? I

124:14 know that -- we know your title. But were you a part

124:15 of any management committees at McKesson? And I'm

124:16 talking about the '08 period.

124:17 A. Yes. So in that time frame in my

124:18 role, I was part of the -- I will use your term --

124:19 management committee that oversaw -- oversaw the

124:20 pharmaceutical business.

124:21 Q. Okay. So the management committee

124:22 that oversaw the pharmaceutical business. And a

124:23 significant part of McKesson's business was the

124:24 pharmaceutical business, I assume?

124:25 A. Yes.

DW03_Donald Walker Plaintiffs' Submission.157

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125:23 - 127:7	<p>Walker, Donald 01-10-2019 (00:01:45)</p> <p>125:23 Q. All right. Let's -- let's go back to</p> <p>125:24 this meeting, then, that was -- that was held in 2008</p> <p>125:25 with the Directors of Regulatory.</p> <p>126:1 If you can go to page -- the Bates in the</p> <p>126:2 bottom of -4733. Did you run this meeting?</p> <p>126:3 A. Yes, I did.</p> <p>126:4 Q. Did you prepare these slide</p> <p>126:5 presentations?</p> <p>126:6 A. Looking at it, I don't specifically</p> <p>126:7 put in the slide presentation. But it was consistent</p> <p>126:8 with one that I would do.</p> <p>126:9 Q. All right. Well, let's look, then,</p> <p>126:10 at this page of the 2008 slide presentation. And</p> <p>126:11 this is talking about the 2008 Settlement Agreement</p> <p>126:12 that is reached with the Department of Justice and</p> <p>126:13 the DEA; correct?</p> <p>126:14 A. Correct.</p> <p>126:15 Q. And this is in relation to what we</p> <p>126:16 have been talking about for the last hour; true?</p> <p>126:17 A. Yes.</p> <p>126:18 Q. And does this slide presentation</p> <p>126:19 state that -- the first -- the first bullet, "Six</p> <p>126:20 different McKesson facilities involved"; right?</p> <p>126:21 A. Yes.</p> <p>126:22 Q. And we went over those six different</p> <p>126:23 facilities, I think. Florida, Maryland, Texas, Utah;</p> <p>126:24 correct? Those are the ones we went through?</p> <p>126:25 A. That's correct.</p> <p>127:1 Q. The next bullet says:</p> <p>127:2 (Reading) An estimated more than 4,600</p> <p>127:3 violations, potential fine to exceed</p> <p>127:4 \$46 million (end of reading).</p> <p>127:5 Is that accurate, 4,600 violations? This is</p> <p>127:6 in your PowerPoint or at least one presented at your</p> <p>127:7 meeting. Was that accurate?</p>	<p>DW03_Donald Walker Plaintiffs' Submission:138</p> <p>DW03_Donald Walker Plaintiffs' Submission:139</p>
127:9 - 127:15	<p>Walker, Donald 01-10-2019 (00:00:21)</p> <p>127:9 THE WITNESS: I don't recall specifically</p> <p>127:10 whether it is accurate or -- I couldn't testify</p> <p>127:11 whether it was accurate.</p>	<p>DW03_Donald Walker Plaintiffs' Submission:139</p>

DW03_Donald Walker Plaintiffs' Submission

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127:12 - 127:19	<p>127:12 What I can say is that we -- I was pulling 127:13 information from the agreement draft, which were the 127:14 DEA's allegations, you know, that led up to the 127:15 agreement.</p> <p>Walker, Donald 01-10-2019 (00:00:08)</p> <p>127:16 BY MR. KENNEDY: 127:17 Q. Would you put this in a PowerPoint to 127:18 the Regulatory Department, the new members of the 127:19 Regulatory Department, if it wasn't accurate?</p>	DW03_Donald Walker Plaintiffs' Submission:180
127:22 - 128:2	<p>Walker, Donald 01-10-2019 (00:00:22)</p> <p>127:22 Q. Would you do that? 127:23 A. Again, Counsel, my recollection, my 127:24 best recollection, is that this was based on 127:25 information that was contained in the -- in the draft 128:1 and potentially discussions with DEA or counsel 128:2 through DEA.</p>	DW03_Donald Walker Plaintiffs' Submission:181
128:3 - 128:7	<p>Walker, Donald 01-10-2019 (00:00:14)</p> <p>128:3 Q. My question isn't whether it was part 128:4 of a draft, where it came from. My question is real 128:5 simple: Would you put here in this presentation 128:6 "4,600 estimated violations by McKesson" if it was 128:7 not true?</p>	DW03_Donald Walker Plaintiffs' Submission:182
128:10 - 128:13	<p>Walker, Donald 01-10-2019 (00:00:09)</p> <p>128:10 THE WITNESS: Counsel, as I stated, what I 128:11 would have put in is an accurate representation of 128:12 DEA's allegations. 128:13 BY MR. KENNEDY:</p>	DW03_Donald Walker Plaintiffs' Submission:183
130:23 - 131:11	<p>Walker, Donald 01-10-2019 (00:00:37)</p> <p>130:23 BY MR. KENNEDY: 130:24 Q. Sir, at this point in time, these 130:25 allegations, which are 2004, 2005, 2006, at that 131:1 point in time were the suspicious order monitoring 131:2 policies of McKesson national? 131:3 A. Yes. It was a single system. So the 131:4 answer is, yes. 131:5 Q. So the policies and the procedures 131:6 that led at least to what you considered to be the 131:7 allegations of these extraordinary sales, those 131:8 policies and procedures were the same in Maryland, 131:9 Ohio, West Virginia, Utah, Florida; would that be</p>	DW03_Donald Walker Plaintiffs' Submission:184

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	131:10 true?	
	131:11 A. Yes.	
131:12 - 131:17	Walker, Donald 01-10-2019 (00:00:14)	DW03_Donald Walker Plaintiffs' Submission:165
	131:12 Q. And as the person in charge, sitting	
	131:13 on the top of this, did you make every effort to make	
	131:14 sure that the implementation of the policies and	
	131:15 procedures relating to suspicious order monitoring,	
	131:16 that they were being implemented uniformly across the	
	131:17 country?	
131:19 - 131:21	Walker, Donald 01-10-2019 (00:00:06)	DW03_Donald Walker Plaintiffs' Submission:166
	131:19 THE WITNESS: Yes, we had a system in place	
	131:20 that was reporting regularly to DEA suspicious	
	131:21 orders.	
131:23 - 132:8	Walker, Donald 01-10-2019 (00:00:30)	DW03_Donald Walker Plaintiffs' Submission:167
	131:23 Q. So the answer would be, yes, you, as	
	131:24 the boss, made an effort to make sure that your	
	131:25 policies with respect to suspicious orders were being	
	132:1 implemented uniformly across the country; true?	
	132:2 A. Yes.	
	132:3 Q. You didn't want somebody doing	
	132:4 something different in California than they were	
	132:5 doing in Maryland; did you?	
	132:6 A. The system was one system. So the	
	132:7 uniform reporting and report generation was the same	
	132:8 across the country.	
133:9 - 133:13	Walker, Donald 01-10-2019 (00:00:13)	DW03_Donald Walker Plaintiffs' Submission:168
	133:9 Q. Okay. But from '08 forward, while	
	133:10 you were in charge, again, you would have meetings,	
	133:11 you would have memos, you would have calls in an	
	133:12 attempt to make sure that your policies were being	
	133:13 implemented uniformly across the country; true?	
133:16 - 134:1	Walker, Donald 01-10-2019 (00:00:28)	DW03_Donald Walker Plaintiffs' Submission:169
	133:16 THE WITNESS: So subsequent to the 2008	
	133:17 agreement with the regulatory team, we had regular	
	133:18 conference calls, regular discussions to ensure that	
	133:19 we were executing our regulatory responsibilities	
	133:20 uniformly across the country; so yes.	
	133:21 BY MR. KENNEDY:	
	133:22 Q. You don't want Mr. Oriente in the	
	133:23 East doing something different from Mr. McDonald in	

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133:24	the West, doing something different than Mr. Gustin	
133:25	in the Midwest; true?	
134:1	A. Generally that would be accurate.	
134:15 - 134:21	Walker, Donald 01-10-2019 (00:00:19)	DW03_Donald Walker Plaintiffs' Submission.170
134:15	I'm going to switch gears. I want to talk	
134:16	about the 2008 CSMP, the Controlled Substances	
134:17	Monitoring Program. You remember that program?	
134:18	A. Yes.	
134:19	Q. That was a program that McKesson	
134:20	developed and put into place in 2008; is that true?	
134:21	A. Yes, that is correct.	
135:22 - 136:2	Walker, Donald 01-10-2019 (00:00:10)	DW03_Donald Walker Plaintiffs' Submission.171
135:22	Q. Let me -- let me show you	
135:23	Exhibit 672. And if you keep this exhibit in front	
135:24	of you even after this series of questions, because	
135:25	we're going to refer back to this quite a bit,	
136:1	all right?	
136:2	A. That would be fine.	
136:5 - 136:19	Walker, Donald 01-10-2019 (00:00:56)	DW03_Donald Walker Plaintiffs' Submission.172
136:5	Q. This is the McKesson's 2008	
136:6	Controlled Substance Monitoring Program; is it not?	
136:7	A. What this document is, is a -- the	
136:8	Operations Manual entry and documentation of how to	
136:9	execute against the Controlled Substance Monitoring	
136:10	Program. That's probably the best way to describe	
136:11	it.	
136:12	Q. Was there any document that McKesson	
136:13	has that is more comprehensive and detailed with	
136:14	respect to your suspicious order monitoring system	
136:15	than this document from the period of 2008 to, let's	
136:16	say, 2014? Any document other than this that is more	
136:17	comprehensive?	
136:18	A. Probably this would be the most	
136:19	comprehensive document.	
137:14 - 137:19	Walker, Donald 01-10-2019 (00:00:13)	DW03_Donald Walker Plaintiffs' Submission.173
137:14	Q. And this program came into place, as	
137:15	I said before, in 2008; did it not?	
137:16	A. That is correct.	
137:17	Q. And it was revised various times, as	
137:18	we have seen, up through '13; correct?	

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138:8 - 138:22	<p>137:19 A. Yes.</p> <p>Walker, Donald 01-10-2019 (00:00:36)</p> <p>138:8 Q. And we were talking about this</p> <p>138:9 threshold system. And do you see where it says,</p> <p>138:10 "Purpose"?</p> <p>138:11 A. Yes.</p> <p>138:12 Q. And the second bullet point down</p> <p>138:13 says, "Set and maintain customer's thresholds for all</p> <p>138:14 controlled substances"; is that right?</p> <p>138:15 A. That is correct.</p> <p>138:16 Q. And then it says, "Make informed</p> <p>138:17 decisions based upon established threshold</p> <p>138:18 information"; correct?</p> <p>138:19 A. Yes.</p> <p>138:20 Q. So the thresholds were an important</p> <p>138:21 part of this monitoring program; true?</p> <p>138:22 A. Yes.</p>	DW03_Donald Walker Plaintiffs' Submission.174
142:2 - 142:16	<p>Walker, Donald 01-10-2019 (00:00:35)</p> <p>142:2 Q. Now, so each customer of McKesson --</p> <p>142:3 pursuant to your 2008 monitoring policy, each</p> <p>142:4 customer for each family of a controlled substance</p> <p>142:5 would have an established threshold; true?</p> <p>142:6 A. That's correct.</p> <p>142:7 Q. And that was a monthly threshold;</p> <p>142:8 right?</p> <p>142:9 A. Calculated monthly.</p> <p>142:10 Q. So a particular pharmacy would have a</p> <p>142:11 monthly threshold, for example, for hydrocodones;</p> <p>142:12 right?</p> <p>142:13 A. Yes.</p> <p>142:14 Q. They would have a monthly threshold</p> <p>142:15 for oxycodones; correct?</p> <p>142:16 A. Yes.</p>	DW03_Donald Walker Plaintiffs' Submission.175
142:17 - 142:24	<p>Walker, Donald 01-10-2019 (00:00:24)</p> <p>142:17 Q. And if they were to exceed that</p> <p>142:18 threshold in any month, that would trigger an</p> <p>142:19 investigation under your monitoring policies;</p> <p>142:20 correct?</p> <p>142:21 A. It would do two things. One, the</p> <p>142:22 order would be blocked, and then the -- which would</p>	DW03_Donald Walker Plaintiffs' Submission.176

DW03_Donald Walker Plaintiffs' Submission

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142:25 - 143:7	<p>142:23 trigger additional due diligence to determine why the 142:24 threshold was exceeded.</p> <p>Walker, Donald 01-10-2019 (00:00:24)</p> <p>142:25 Q. And each customer, though, each 143:1 customer could request an increase in their threshold 143:2 for a particular opioid or controlled substance; 143:3 could they not? 143:4 A. The program was designed so that 143:5 customers could request additional controlled 143:6 substances of any -- of the controlled substances 143:7 above their threshold.</p>	DW03_Donald Walker Plaintiffs' Submission:177
143:8 - 143:25	<p>Walker, Donald 01-10-2019 (00:00:48)</p> <p>143:8 Q. All right. And McKesson -- if we 143:9 look at this program and how it's divided up, there 143:10 were basically two different groups of customers. 143:11 One, the big chain pharmacies, the RNAs, the regional 143:12 national accounts; correct? 143:13 A. That's one large customer group. 143:14 Q. And the other major customer group 143:15 that's defined in your monitoring program were the 143:16 ISMCs, or the independent small, medium chains; 143:17 correct? 143:18 A. That was also included. But that 143:19 wasn't the totality of every registrant that we 143:20 provided controlled substance to. So the two groups 143:21 that you mentioned in addition to that, would be what 143:22 we called our hospital or MHS group. So these were 143:23 hospitals, institutions, surgery centers. And then 143:24 probably the fourth big category was the federal 143:25 government.</p>	DW03_Donald Walker Plaintiffs' Submission:178
144:22 - 145:1	<p>Walker, Donald 01-10-2019 (00:00:14)</p> <p>144:22 Q. So if there was a pharmacy on Main 144:23 Street in Cleveland, Ohio, that specific pharmacy 144:24 would contact McKesson and say, "We want to increase 144:25 our threshold"? That's how it basically worked with 145:1 the independents and the small -- small chains?</p>	DW03_Donald Walker Plaintiffs' Submission:179
145:3 - 145:4	<p>Walker, Donald 01-10-2019 (00:00:03)</p> <p>145:3 THE WITNESS: Basically, that would be the 145:4 process.</p>	DW03_Donald Walker Plaintiffs' Submission:180
145:6 - 145:24	<p>Walker, Donald 01-10-2019 (00:01:08)</p>	DW03_Donald Walker Plaintiffs' Submission:181

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145:6 Q. And then that specific pharmacy, say
 145:7 the Main Street pharmacy, they would provide
 145:8 information and documentation to McKesson to document
 145:9 or provide a basis for the increase in the threshold;
 145:10 is that how it worked?

145:11 A. Yes, the request --

145:12 Q. And then the Director of Regulatory
 145:13 Affairs would evaluate the information and make a
 145:14 determination as to whether or not an increase in a
 145:15 particular drug threshold was appropriate? That's
 145:16 how it worked?

145:17 A. All threshold increases were reviewed
 145:18 by the Director of Regulatory Affairs, or DRAs, and
 145:19 they were the sole responsible party to make any
 145:20 increases.

145:21 Q. Now, these independent small, medium
 145:22 pharmacies were required to submit three months of
 145:23 their dispensing data in order to get approval for a
 145:24 threshold increase? That was the policy?

146:1 - 146:19

Walker, Donald 01-10-2019 (00:01:02)

DW03_Donald Walker Plaintiffs' Submission.103

146:1 THE WITNESS: I don't believe that that is
 146:2 accurate.

146:3 (Exhibit No. 676 was marked.)

146:4 BY MR. KENNEDY:

146:5 Q. Let me show you Exhibit -- you
 146:6 were -- you don't think that's accurate, but you
 146:7 were -- you were the boss at this point in time in
 146:8 '08; correct?

146:9 A. Yes.

146:10 Q. I'm going to show you Exhibit 676.

146:11 And that's Bates -542108 to -110.

146:12 This is an email from Tom McDonald. Do you
 146:13 see that? The first page.

146:14 A. Yes.

146:15 Q. And who was Tom McDonald in this time
 146:16 period of 12 -- or excuse me, 2012? Who was he?

146:17 A. Tom McDonald was the Director of
 146:18 Regulatory Affairs for the Western part of the
 146:19 United States.

146:25 - 148:1

Walker, Donald 01-10-2019 (00:00:56)

DW03_Donald Walker Plaintiffs' Submission.103

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146:25 Q. And he's sending an email to an
 147:1 extraordinarily large group of people. Can you --
 147:2 are you able to kind of look through that and say
 147:3 this is -- who this group is?
 147:4 A. Based on the names here, this is a
 147:5 combination of our sales and operations teams in the
 147:6 West Region.
 147:7 Q. And you're copied on this; right?
 147:8 Donald Walker, CC.
 147:9 A. Yes, I am.
 147:10 Q. So you would have gotten this; right?
 147:11 A. Yes.
 147:12 Q. Subject, "Ongoing due diligence, new
 147:13 questionnaires and dispensing data." Do you see
 147:14 that?
 147:15 A. Yes.
 147:16 Q. It says high -- importance is high;
 147:17 right?
 147:18 A. Yes.
 147:19 Q. Look to the next page, if you would,
 147:20 -109, all the way toward the bottom, the paragraph
 147:21 that starts with, "Additionally."
 147:22 A. Can I have a moment just to review
 147:23 the rest of the document?
 147:24 Q. Sure.
 147:25 A. I'm not --
 148:1 (Witness reviewing document.)

148:2 - 148:14

Walker, Donald 01-10-2019 (00:00:26)

DW03_Donald Walker Plaintiffs' Submission.154

148:2 A. Okay.
 148:3 Q. Look at the paragraph. This is
 148:4 Mr. McDonald. You're copied on this. The paragraph
 148:5 that starts, "Additionally."
 148:6 He states:
 148:7 (Reading) Additionally, dispensing
 148:8 data is an integral part of
 148:9 understanding a customer's business
 148:10 for those accounts requiring higher
 148:11 thresholds (end of reading).
 148:12 Would you agree with that? Dispensing data
 148:13 is an integral part of understanding a customer's

DW03_Donald Walker Plaintiffs' Submission

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148:16 - 148:22	<p>148:14 business; do you agree to that?</p> <p>Walker, Donald 01-10-2019 (00:00:21)</p> <p>148:16 THE WITNESS: I think it would be more</p> <p>148:17 accurate to say that at the time, as we evolved the</p> <p>148:18 program and gained knowledge around the tools that</p> <p>148:19 were available to us, dispensing data was one of the</p> <p>148:20 items, and just one of them, that we would use to</p> <p>148:21 help us make a determination of customer thresholds</p> <p>148:22 and increase requests or establishment.</p>	DW03_Donald Walker Plaintiffs' Submission:185
148:24 - 149:2	<p>Walker, Donald 01-10-2019 (00:00:07)</p> <p>148:24 Q. So you disagree with Mr. McDonald's</p> <p>148:25 statement, that dispensing data is an integral part</p> <p>149:1 of understanding a customer's business? You disagree</p> <p>149:2 with that?</p>	DW03_Donald Walker Plaintiffs' Submission:186
149:5 - 149:7	<p>Walker, Donald 01-10-2019 (00:00:06)</p> <p>149:5 THE WITNESS: I didn't say I disagreed with</p> <p>149:6 it. What I said was it was a piece, and one of the</p> <p>149:7 pieces of understanding.</p>	DW03_Donald Walker Plaintiffs' Submission:187
149:9 - 149:14	<p>Walker, Donald 01-10-2019 (00:00:24)</p> <p>149:9 Q. And tell the jury, dispensing data</p> <p>149:10 from a pharmacy, what is that?</p> <p>149:11 A. The data that a pharmacy may or may</p> <p>149:12 not provide was data around the quantities of a given</p> <p>149:13 pharmaceutical or medicine that they would dispense.</p> <p>149:14 So it was a summary document.</p>	DW03_Donald Walker Plaintiffs' Submission:188
149:24 - 150:4	<p>Walker, Donald 01-10-2019 (00:00:12)</p> <p>149:24 Q. Let's talk about an independent</p> <p>149:25 pharmacy on Main Street. They provide you with</p> <p>150:1 dispensing data. It's going to tell McKesson how</p> <p>150:2 much Oxycontin that they are selling, actually</p> <p>150:3 dispensing, filling prescriptions and dispensing;</p> <p>150:4 that's what dispensing data is?</p>	DW03_Donald Walker Plaintiffs' Submission:189
150:6 - 150:7	<p>Walker, Donald 01-10-2019 (00:00:02)</p> <p>150:6 THE WITNESS: Dispensing data should</p> <p>150:7 represent that, yes.</p>	DW03_Donald Walker Plaintiffs' Submission:190
150:9 - 150:22	<p>Walker, Donald 01-10-2019 (00:00:28)</p> <p>150:9 Q. So Mr. McDonald, head of the Western</p> <p>150:10 Region, in this email he says:</p> <p>150:11 (Reading) Additionally, dispensing</p> <p>150:12 data is an integral part of</p>	DW03_Donald Walker Plaintiffs' Submission:191

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	150:13 understanding a customer's business 150:14 for those accounts requiring higher 150:15 thresholds. Bullet 1: Dispensing 150:16 data is not required for all new 150:17 accounts. Bullet 2: It is required 150:18 if the new account is requesting more 150:19 than the minimum stated in the 150:20 questionnaire (end of reading). 150:21 Do you agree with that, it's required for 150:22 that?	
150:25 - 151:2	Walker, Donald 01-10-2019 (00:00:06) 150:25 Q. So if you have got a threshold higher 151:1 than the minimum amount, dispensing data is required; 151:2 do you agree with that statement by Mr. McDonald?	DW03_Donald Walker Plaintiffs' Submission:192
151:4 - 151:10	Walker, Donald 01-10-2019 (00:00:22) 151:4 THE WITNESS: First, I don't recall 151:5 specifically, you know, reviewing or remembering any 151:6 details of this -- of this memo. 151:7 What I would best answer that question, is 151:8 that this is what Mr. McDonald was requesting from 151:9 his field sales team to support his decision base for 151:10 making increases in the Western Region.	DW03_Donald Walker Plaintiffs' Submission:193
151:22 - 152:4	Walker, Donald 01-10-2019 (00:00:11) 151:22 Q. And he states: 151:23 (Reading) It is required -- dispensing 151:24 data, it is required if the new 151:25 account is requesting more than the 152:1 minimum stated in the questionnaire 152:2 (end of reading). 152:3 Did you agree with that statement when you 152:4 read it?	DW03_Donald Walker Plaintiffs' Submission:194
152:6 - 152:9	Walker, Donald 01-10-2019 (00:00:07) 152:6 THE WITNESS: Again, I don't recall 152:7 specifically. What I would say is that I didn't 152:8 disagree with his request.	DW03_Donald Walker Plaintiffs' Submission:195
152:22 - 153:5	Walker, Donald 01-10-2019 (00:00:22) 152:22 BY MR. KENNEDY: 152:23 Q. All right. He next says -- the 152:24 bullet next -- and this is the important one for what	DW03_Donald Walker Plaintiffs' Submission:196

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152:25	we're going to talk about -- he states:	
153:1	(Reading) It is also required when	
153:2	customer's request increases on	
153:3	elevated thresholds (end of reading).	
153:4	Did you disagree with that statement at the	
153:5	time and email him back and say, no, you're wrong?	
153:7 - 153:17	Walker, Donald 01-10-2019 (00:00:18)	DW03_Donald Walker Plaintiffs' Submission.197
153:7	THE WITNESS: Again, not -- not that I	
153:8	recall.	
153:9	BY MR. KENNEDY:	
153:10	Q. The next bullet says:	
153:11	(Reading) The request for dispensing	
153:12	data is standard and should not	
153:13	deviate (end of reading).	
153:14	And he goes down and says, a couple more	
153:15	bullets down says, "The most recent three months of	
153:16	data" -- that's the dispensing data that they are	
153:17	talking about; right?	
153:20 - 155:3	Walker, Donald 01-10-2019 (00:01:14)	DW03_Donald Walker Plaintiffs' Submission.198
153:20	Q. Do you see that?	
153:21	A. I do. It would appear that that's	
153:22	what he's requesting.	
153:23	Q. And then he says:	
153:24	(Reading) The data must be by line	
153:25	dispensed (end of reading).	
154:1	Do you see that?	
154:2	A. Yes.	
154:3	Q. He's very specific about what's	
154:4	required with respect to specific dispensing data, is	
154:5	he not?	
154:6	A. He's being very specific.	
154:7	Q. Then he says:	
154:8	(Reading) The data must, it must	
154:9	include product description, date	
154:10	dispensed, quantity in dosage units,	
154:11	method of payment, prescribing doctor,	
154:12	and the doctor's DEA number (end of	
154:13	reading).	
154:14	Do you see that?	
154:15	A. Yes.	

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154:16 Q. Do you remember disagreeing with him
154:17 at that time and sending him back an email, calling
154:18 him on the phone, having a meeting, saying, you're
154:19 wrong, that is not what is required? Do you remember
154:20 doing that?

154:21 A. I do not remember any follow-up
154:22 response to him and disagreeing with him or
154:23 counseling him to do otherwise.

154:24 Q. What he's talking about is a good
154:25 idea; is it? Is it not a good idea to fulfill your
155:1 obligations to get the dispensing data if an
155:2 independent or small pharmacy wants an increase in
155:3 their threshold?

155:6 - 155:11

Walker, Donald 01-10-2019 (00:00:29)

DW03_Donald Walker Plaintiffs' Submission.199

155:6 THE WITNESS: The view that I would have is
155:7 at the time that we were working under the CSMP and
155:8 gaining additional expertise and insight into how we
155:9 would manage our controlled substance program and our
155:10 understanding of pharmacies, dispensing data became a
155:11 tool that we had potentially available to us.

157:19 - 158:6

Walker, Donald 01-10-2019 (00:00:26)

DW03_Donald Walker Plaintiffs' Submission.200

157:19 Q. If you get dispensing data from a
157:20 pharmacy, you're going to be able to see cash
157:21 payments; are you not, sir?

157:22 A. Not necessarily.

157:23 Q. In many instances will you be able to
157:24 see that, sir?

157:25 A. If -- if the pharmacist chooses to
158:1 enter a cash payment in their pharmacy terminal
158:2 system where this data originates, then, yes, it will
158:3 show up.

158:4 Q. All right.

158:5 A. If he chooses not to do that, it
158:6 won't show up.

158:7 - 158:11

Walker, Donald 01-10-2019 (00:00:12)

DW03_Donald Walker Plaintiffs' Submission.201

158:7 Q. All right. And so you're getting
158:8 dispensing data. And if the pharmacist is putting
158:9 cash payments in, all right, you're going to be able
158:10 to see cash payments -- correct? -- from what you
158:11 just said, if the pharmacist is entering it; true?

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158:14 - 158:19	Walker, Donald 01-10-2019 (00:00:14) 158:14 Q. True? 158:15 A. If the pharmacist enters it into the 158:16 pharmacy terminal system, we would see that. 158:17 Q. And a certain percentage of cash 158:18 payments for opioids for narcotics is evidence of 158:19 diversion; is it not?	DW03_Donald Walker Plaintiffs' Submission.282
158:21 - 159:1	Walker, Donald 01-10-2019 (00:00:15) 158:21 THE WITNESS: The DEA identified cash 158:22 payment percentage as a potential indicator. 158:23 BY MR. KENNEDY: 158:24 Q. All right. And if you get dispensing 158:25 data, as indicated in this memo, it's going to tell 159:1 you who the prescribing doctors are; is it not?	DW03_Donald Walker Plaintiffs' Submission.283
159:3 - 159:5	Walker, Donald 01-10-2019 (00:00:08) 159:3 THE WITNESS: If the data is complete, we 159:4 would see the doctors -- generally see the doctors in 159:5 the dispensing data.	DW03_Donald Walker Plaintiffs' Submission.284
159:7 - 159:11	Walker, Donald 01-10-2019 (00:00:10) 159:7 Q. And that would allow McKesson to 159:8 determine whether a small group of doctors is 159:9 prescribing a large amount of opioids; correct? You 159:10 would be able to do that if you had the dispensing 159:11 data; true?	DW03_Donald Walker Plaintiffs' Submission.285
159:13 - 159:17	Walker, Donald 01-10-2019 (00:00:22) 159:13 THE WITNESS: I'm not sure I can answer that 159:14 accurately. Generally, if the physicians are in 159:15 there and the data was complete, not -- our challenge 159:16 was, is the data wasn't always complete. So I'm 159:17 reluctant to say that that is accurate.	DW03_Donald Walker Plaintiffs' Submission.286
159:19 - 159:24	Walker, Donald 01-10-2019 (00:00:15) 159:19 Q. If you have accurate prescribing 159:20 data, McKesson would be able to determine whether a 159:21 small group of doctors is ordering a large percentage 159:22 of the opioids from that pharmacy; correct? You're 159:23 able to do that? 159:24 A. If the data was accurate, yes.	DW03_Donald Walker Plaintiffs' Submission.287
160:7 - 160:19	Walker, Donald 01-10-2019 (00:00:36) 160:7 Q. And the DEA told you back in 2006 160:8 that's one of the things you should look for, a small	DW03_Donald Walker Plaintiffs' Submission.288

DW03_Donald Walker Plaintiffs' Submission

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	160:9 number of doctors ordering a large percent of the 160:10 opioids from a pharmacy? That's one of the things 160:11 you should look for? 160:12 A. My recollection of the document, the 160:13 documents state that is one of the areas that they 160:14 outlined. 160:15 Q. And if you had the doctor's name from 160:16 the prescribing -- or the prescribing data, you 160:17 could -- McKesson could research as to whether or not 160:18 this physician was having problems with any medical 160:19 board; couldn't you?	
160:22 - 161:2	Walker, Donald 01-10-2019 (00:00:33) 160:22 Q. If you had that data? 160:23 A. I believe, Counsel -- I didn't 160:24 specifically make any type of inquiries myself, but 160:25 my understanding was, is that we -- you had the 161:1 ability to identify any doctors if, in fact, there 161:2 was documentation on state medical board sites.	DW03_Donald Walker Plaintiffs' Submission.209
161:3 - 161:7	Walker, Donald 01-10-2019 (00:00:17) 161:3 Q. And if you got the dispensing data, 161:4 as Mr. McDonald is saying here in 2012 is required, 161:5 you can now actually see if a pharmacy is purchasing 161:6 opioids from other distributors, other than just 161:7 McKesson; correct?	DW03_Donald Walker Plaintiffs' Submission.210
161:10 - 161:21	Walker, Donald 01-10-2019 (00:00:33) 161:10 THE WITNESS: I don't recall that we had the 161:11 ability or felt we had the ability to determine 161:12 multiple distribution -- distributors supplying a 161:13 pharmacy through dispensing data. 161:14 BY MR. KENNEDY: 161:15 Q. Let me ask you this. If the 161:16 dispensing data says that a particular pharmacy is 161:17 dispensing, selling 1,000 Oxycontin in a month, and 161:18 your records say you're selling them only 500, then 161:19 you can reasonably conclude that they are getting 161:20 Oxycontin from somebody other than just McKesson; 161:21 right?	DW03_Donald Walker Plaintiffs' Submission.211
161:24 - 162:7	Walker, Donald 01-10-2019 (00:00:30) 161:24 THE WITNESS: Counsel, there are so many 161:25 variables in pharmacy behavior, in terms of inventory	DW03_Donald Walker Plaintiffs' Submission.212

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162:10 - 162:16	<p>162:1 management, again, it's very difficult for me to</p> <p>162:2 answer accurately whether that could take place.</p> <p>162:3 BY MR. KENNEDY:</p> <p>162:4 Q. If you have the dispensing data,</p> <p>162:5 McKesson would be able to determine the percentage of</p> <p>162:6 controlled substances against total prescriptions?</p> <p>162:7 They would be able to calculate that, wouldn't they?</p> <p>Walker, Donald 01-10-2019 (00:00:19)</p> <p>162:10 THE WITNESS: Counsel, I'm having a</p> <p>162:11 difficult time answering the question. I think it's</p> <p>162:12 an oversimplification of analysis of the value of</p> <p>162:13 this dispensing data.</p> <p>162:14 As I stated, it was a very valuable tool to</p> <p>162:15 us, but it was a single tool. We had other data</p> <p>162:16 points that we needed to understand.</p>	DW03_Donald Walker Plaintiffs' Submission.213
162:17 - 162:24	<p>Walker, Donald 01-10-2019 (00:00:21)</p> <p>162:17 BY MR. KENNEDY:</p> <p>162:18 Q. Isn't that exactly one of the things</p> <p>162:19 that the DEA told McKesson in 2006 you ought to be</p> <p>162:20 looking to, the percentage of controlled substances</p> <p>162:21 that a pharmacy was selling against its total</p> <p>162:22 prescription sales? Isn't that one of the specific</p> <p>162:23 items that DEA informed you in 2006 you should be</p> <p>162:24 looking at?</p>	DW03_Donald Walker Plaintiffs' Submission.214
163:2 - 163:5	<p>Walker, Donald 01-10-2019 (00:00:13)</p> <p>163:2 Q. Correct?</p> <p>163:3 A. My recollection, was that the</p> <p>163:4 percentage of controlled substance sales were a point</p> <p>163:5 of indication.</p>	DW03_Donald Walker Plaintiffs' Submission.215
181:6 - 181:24	<p>Walker, Donald 01-10-2019 (00:00:52)</p> <p>181:6 Q. All right. Mr. Walker, we've talked</p> <p>181:7 a bit about the independents, the small, medium, the</p> <p>181:8 smaller chains. I want to switch gears now and talk</p> <p>181:9 to you about what McKesson called the RNAs, or the</p> <p>181:10 regional national accounts; all right?</p> <p>181:11 A. Yes.</p> <p>181:12 Q. You're familiar with RNA, regional</p> <p>181:13 national account terminology?</p> <p>181:14 A. The -- yes, I am. The correct</p> <p>181:15 terminology is retail national account.</p>	DW03_Donald Walker Plaintiffs' Submission.216

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	181:16 Q. I'm sorry. Those would be the big	
	181:17 chains?	
	181:18 A. Big chains.	
	181:19 Q. The CVS, the Walgreens, the Walmarts,	
	181:20 the Rite Aids; correct?	
	181:21 A. That size chain, yes.	
	181:22 Q. Those are big customers; we agree?	
	181:23 The big chains were big customers to McKesson?	
	181:24 A. Yes.	
182:25 - 183:4	Walker, Donald 01-10-2019 (00:00:13)	DW03_Donald Walker Plaintiffs' Submission.217
	182:25 Q. Can we agree that McKesson's legal	
	183:1 duties, responsibilities to monitor and prevent	
	183:2 diversion applies to the large national chains in the	
	183:3 same fashion it applies to the independent smaller	
	183:4 chains?	
183:6 - 183:17	Walker, Donald 01-10-2019 (00:00:31)	DW03_Donald Walker Plaintiffs' Submission.218
	183:6 THE WITNESS: Yes, our -- our overall	
	183:7 controlled substance and regulatory responsibility	
	183:8 applied the all the registrants that we provided	
	183:9 controlled substances to.	
	183:10 BY MR. KENNEDY:	
	183:11 Q. And that's always been true? Going	
	183:12 back to 1970, 1971, when the Controlled Substance Act	
	183:13 came into existence and the regulations came into	
	183:14 existence, that's always been true; your	
	183:15 responsibility to the large chains was no different	
	183:16 than your responsibilities related to an independent	
	183:17 pharmacy?	
183:19 - 184:8	Walker, Donald 01-10-2019 (00:00:39)	DW03_Donald Walker Plaintiffs' Submission.219
	183:19 THE WITNESS: Outside of the direct	
	183:20 experience that I had and exposure I had with the	
	183:21 retail national accounts, I can't say what happened	
	183:22 in the early years. But certainly during my tenure	
	183:23 it was the same.	
	183:24 BY MR. KENNEDY:	
	183:25 Q. The "Know Your Customer"	
	184:1 responsibility applied to the large national chains;	
	184:2 true?	
	184:3 A. As part of our program, yes, it did.	
	184:4 Q. The responsibility of McKesson to	

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184:10 - 184:20	<p>184:5 identify suspicious orders, based upon size and 184:6 frequency, unusual pattern, applied to the big 184:7 regional national accounts -- retail national 184:8 accounts -- I'm sorry -- would that be true?</p> <p>Walker, Donald 01-10-2019 (00:00:31)</p> <p>184:10 THE WITNESS: All the elements of our 184:11 Controlled Substance Monitoring Program would have 184:12 applied to national accounts. 184:13 BY MR. KENNEDY: 184:14 Q. Now, with respect to threshold 184:15 increases. We talked about threshold increases in 184:16 the smaller chains. Let's talk about threshold 184:17 increases with respect to the big chains. 184:18 From time to time McKesson would increase 184:19 thresholds for pharmacies that were part of a large 184:20 retail account; correct?</p>	DW03_Donald Walker Plaintiffs' Submission.220
184:22 - 185:12	<p>Walker, Donald 01-10-2019 (00:00:49)</p> <p>184:22 THE WITNESS: Yes, we -- we would increase 184:23 thresholds. 184:24 BY MR. KENNEDY: 184:25 Q. But with respect to the big pharmacy 185:1 chains, when you were going to increase a threshold, 185:2 McKesson would not communicate directly with the 185:3 specific pharmacy that was requesting the increase, 185:4 McKesson, rather, would communicate with the 185:5 corporate headquarters of the big chain; is that 185:6 accurate? 185:7 A. As part of our Controlled Substance 185:8 Monitoring Program, we utilized the retail national 185:9 account chain regulatory teams in the communication 185:10 often. It varied by -- by account or by customer. 185:11 But we did leverage the regulatory teams at the 185:12 national accounts.</p>	DW03_Donald Walker Plaintiffs' Submission.221
186:2 - 186:6	<p>Walker, Donald 01-10-2019 (00:00:09)</p> <p>186:2 Q. All right. So if you're talking 186:3 about CVS, for example, you would be dealing with 186:4 headquarters in Providence, Rhode Island; that was 186:5 the norm? Correct? 186:6 A. Yes.</p>	DW03_Donald Walker Plaintiffs' Submission.222
186:14 - 187:13	<p>Walker, Donald 01-10-2019 (00:01:07)</p>	DW03_Donald Walker Plaintiffs' Submission.223

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	186:14 Q. That's the concept? You're dealing	
	186:15 with headquarters; correct?	
	186:16 A. Yes.	
	186:17 Q. Who is Elaine Thomet, if I'm saying	
	186:18 that right?	
	186:19 A. I'm sorry. Can you spell the last	
	186:20 name.	
	186:21 Q. T-h-o-m-e-t.	
	186:22 A. Thomet.	
	186:23 Q. Thomet. I am very sorry. I wasn't	
	186:24 even close.	
	186:25 Who is she or who was she in this period of	
	187:1 '08 to, let's say, '14, 2014?	
	187:2 A. My recollection is Elaine and her	
	187:3 responsibilities during that time frame, she worked	
	187:4 in our retail national account support team. She was	
	187:5 a -- as I understood it -- I don't remember her	
	187:6 title -- was primarily a liaison, you know, from the	
	187:7 retail national account support team into operations	
	187:8 and others.	
	187:9 Q. Okay. She would liaison into	
	187:10 regulatory?	
	187:11 A. On occasion, I believe that's	
	187:12 correct.	
	187:13 MR. KENNEDY: Let's look at Exhibit 677.	
187:17 - 187:25	Walker, Donald 01-10-2019 (00:00:09)	DW03_Donald Walker Plaintiffs' Submission.224
	187:17 Q. I want to look at an email, the top	
	187:18 email on the first page, -72.	
	187:19 A. I haven't seen this document before.	
	187:20 Could I just --	
	187:21 Q. Sure.	
	187:22 A. -- have a moment to familiarize	
	187:23 myself?	
	187:24 Q. Please.	
	187:25 A. Thank you.	
188:3 - 188:4	Walker, Donald 01-10-2019 (00:00:04)	DW03_Donald Walker Plaintiffs' Submission.225
	188:3 Q. If you want to look -- look to page	
	188:4 -74. That would be the third page in.	
188:5 - 188:16	Walker, Donald 01-10-2019 (00:00:27)	DW03_Donald Walker Plaintiffs' Submission.226
	188:5 And you remember, we've had a discussion	

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188:6 about dispensing data and whether or not that was
 188:7 required for an increase in a drug threshold for the
 188:8 smaller independent accounts. Do you recall that
 188:9 discussion we had? Correct?
 188:10 A. I'm sorry. Repeat your question.
 188:11 Q. We've -- we've had a discussion --
 188:12 I've asked you about the requirement for dispensing
 188:13 data in -- when increasing the threshold of an
 188:14 independent or smaller chain. You recall that
 188:15 discussion?
 188:16 A. Yes.

188:19 - 190:4

Walker, Donald 01-10-2019 (00:01:31)

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188:19 Q. So I want to have that discussion now
 188:20 with respect to the regional national accounts.
 188:21 If you look to page -74, down at the bottom,
 188:22 you will see a November 1, 2012, email, it looks like
 188:23 from Perry Anderson, where it says:
 188:24 (Reading) Hi, Dan, quick question.
 188:25 See Frank's email below regarding CSMP
 189:1 threshold adjustments (end of
 189:2 reading).
 189:3 That's Controlled Substance Monitoring
 189:4 Program; right?
 189:5 A. Yes.
 189:6 Q. And they are asking about threshold
 189:7 adjustments. And he says, "Is it common -- common
 189:8 practice in RNA" -- that would be the big chains;
 189:9 right? Right? RNA?
 189:10 A. Yes.
 189:11 Q. (Reading) Is it common practice
 189:12 in RNA to change thresholds without
 189:13 asking for this similar backup, or is
 189:14 it more or less done by RNA support
 189:15 team behind the scenes for RNA
 189:16 accounts (end of reading)?
 189:17 Now, go back to -74. And here seems to be
 189:18 the response. Dan Jeffries responds:
 189:19 (Reading) We do -- we adjust at the
 189:20 request of the customer, but we don't
 189:21 ask for dispense data (end of

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	189:22 reading).	
	189:23 Do you see that?	
	189:24 A. Yes.	
	189:25 Q. He's talking about the regional	
	190:1 national accounts. Was that the policy -- and it's	
	190:2 2012 -- that with respect to increases in the	
	190:3 thresholds for pharmacies that were a part of the big	
	190:4 chains, you did not ask for dispensing data?	
190:6 - 192:15	Walker, Donald 01-10-2019 (00:02:51)	DW03_Donald Walker Plaintiffs' Submission.238
	190:6 THE WITNESS: Generally we did not ask for	
	190:7 any dispensing data from our retail national account	
	190:8 pharmacies.	
	190:9 BY MR. KENNEDY:	
	190:10 Q. Go to page -72, the first page. Now,	
	190:11 this is an email from Elaine Thomet on 11-2-12. And	
	190:12 she says:	
	190:13 (Reading) If it helps, I will add some	
	190:14 clarification. What Frank may not	
	190:15 understand is that with RNA, the big	
	190:16 accounts, we are able to establish the	
	190:17 regulatory relationship with their	
	190:18 headquarters and not at store level	
	190:19 (end of reading).	
	190:20 Now, that's what we were talking about. You	
	190:21 were addressing the headquarters as opposed to the	
	190:22 individual stores when it came to the big national	
	190:23 accounts; true?	
	190:24 A. We used the headquarters.	
	190:25 Q. She then says:	
	191:1 (Reading) After their thresholds have	
	191:2 been initially set up, based on their	
	191:3 required usage data or historical	
	191:4 data, if they were a customer back	
	191:5 when we implemented the CSMP, then any	
	191:6 time they exceed their threshold, we	
	191:7 review it and working with their	
	191:8 headquarters and our regulatory team,	
	191:9 determine if the store should be	
	191:10 allowed an increase. If the HQs	
	191:11 agreed, then the presumption is made	

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191:12 that they have done their due
 191:13 diligence. It also means that we are
 191:14 not talking to the direct purchaser --
 191:15 that's the individual pharmacy -- but,
 191:16 rather, a representative from
 191:17 headquarters, preferably in Regulatory
 191:18 Loss Prevention, Asset Control,
 191:19 et cetera (end of reading).
 191:20 Do you see that?
 191:21 A. Yes.
 191:22 Q. And was that basically then the
 191:23 practice? If headquarters said a threshold increase
 191:24 is okay, there was at least -- in the words of
 191:25 Ms. Thomet, there was a presumption that the
 192:1 headquarters of the national chain had done their due
 192:2 diligence -- had done their due diligence; is that
 192:3 correct?
 192:4 A. It is -- it is correct that we
 192:5 utilized the retail national chains' headquarters
 192:6 regulatory and oversight groups to assist us in
 192:7 ensuring that any threshold increases were
 192:8 appropriate.
 192:9 Q. And you would assume that they did
 192:10 their due diligence when saying a threshold increase
 192:11 is okay, according to -- at least to Elaine Thomet?
 192:12 A. Based -- based on our discussions
 192:13 with headquarters and understanding what their
 192:14 internal procedures were and how they conducted
 192:15 oversight of their pharmacies, yes.

192:16 - 192:20

Walker, Donald 01-10-2019 (00:00:11)

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192:16 Q. No prescribing data was required to
 192:17 grant a threshold increase for the pharmacy at a
 192:18 large chain; correct? We just went through that.
 192:19 True?

192:20 A. No.

192:23 - 193:8

Walker, Donald 01-10-2019 (00:00:27)

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192:23 Q. And so McKesson, when increasing the
 192:24 threshold of a pharmacy at a large chain, had no
 192:25 direct knowledge of the physicians who were writing
 193:1 the prescriptions at the pharmacies for the large

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	193:2 national accounts; true?	
	193:3 A. That is -- that is correct.	
	193:4 Q. You weren't able to check to see if	
	193:5 any of these physicians had an issue with a medical	
	193:6 board in the large national chains, correct, because	
	193:7 you didn't have their identity? Couldn't do that;	
	193:8 true?	
193:12 - 193:22	Walker, Donald 01-10-2019 (00:00:39)	DW03_Donald Walker Plaintiffs' Submission.231
	193:12 Q. Correct?	
	193:13 A. It is probably more accurate to state	
	193:14 that we did not have the detail of their -- of their	
	193:15 prescriptions and the items that would be included in	
	193:16 that prescription data.	
	193:17 Q. All right. And that would include	
	193:18 the identity of the doctor; correct?	
	193:19 A. Presumably, yes.	
	193:20 Q. It would include the data that would	
	193:21 allow you to accurately run percentages on controlled	
	193:22 purchases versus non-controlled purchases; correct?	
193:24 - 193:24	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.232
	193:24 THE WITNESS: We wouldn't have that ability.	
194:2 - 194:7	Walker, Donald 01-10-2019 (00:00:13)	DW03_Donald Walker Plaintiffs' Submission.233
	194:2 Q. And you wouldn't have the ability,	
	194:3 with respect to the large chains, to make a	
	194:4 determination as to whether or not they were -- they	
	194:5 were doing business with pain clinics; right? You	
	194:6 wouldn't be able to -- you wouldn't know that because	
	194:7 you don't know who they are selling to; true?	
194:9 - 194:14	Walker, Donald 01-10-2019 (00:00:14)	DW03_Donald Walker Plaintiffs' Submission.234
	194:9 THE WITNESS: We wouldn't -- without the --	
	194:10 we wouldn't have their prescription data.	
	194:11 BY MR. KENNEDY:	
	194:12 Q. So you wouldn't -- you wouldn't know	
	194:13 whether they were selling to pain clinics, would you,	
	194:14 these large -- these large national accounts?	
194:16 - 195:2	Walker, Donald 01-10-2019 (00:00:33)	DW03_Donald Walker Plaintiffs' Submission.235
	194:16 THE WITNESS: We -- we wouldn't know from	
	194:17 the data whether they are were selling to pain	
	194:18 clinics. I wouldn't state that we wouldn't	
	194:19 necessarily -- we may find out some other -- an other	

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	194:20 way, but generally the data within the potential 194:21 indicator. 194:22 BY MR. KENNEDY: 194:23 Q. Well, you wouldn't have any 194:24 systematic, regular way to check up on all of the 194:25 different pharmacies at the big retail accounts to 195:1 determine who their customers were and as to whether 195:2 or not they were pain clinics? That's accurate?	
195:5 - 195:10	Walker, Donald 01-10-2019 (00:00:13) 195:5 Q. Right? 195:6 A. Generally we -- we would not. 195:7 Q. And the DEA had informed McKesson, 195:8 had they not, that a list of pain clinics were a big 195:9 problem in our country? They had told you that; had 195:10 they not?	DW03_Donald Walker Plaintiffs' Submission.236
195:13 - 195:15	Walker, Donald 01-10-2019 (00:00:15) 195:13 THE WITNESS: In a prior meeting and some 195:14 communications, the DEA identified pain clinics. 195:15 MR. KENNEDY: Let me show you Exhibit 752.	DW03_Donald Walker Plaintiffs' Submission.237
197:7 - 197:14	Walker, Donald 01-10-2019 (00:00:28) 197:7 Q. And with respect to the big chain 197:8 pharmacies, McKesson was not on any regular basis 197:9 getting the dispensing data that would have told them 197:10 whether or not these big chain pharmacies were 197:11 selling to pain clinics; is that right? 197:12 A. We did not get the dispensing data. 197:13 We relied on the chain's regulatory and loss 197:14 prevention groups to understand their patient base.	DW03_Donald Walker Plaintiffs' Submission.238
197:15 - 197:22	Walker, Donald 01-10-2019 (00:00:25) 197:15 Q. Without the prescribing data from a 197:16 chain pharmacy, the big chains, the CVSes, the 197:17 Walgreens, you wouldn't have enough detail to identify 197:18 whether or not physicians have been prescribing 197:19 what's been called the trinity of opioids, would you, 197:20 a combination of drugs that indicate diversion? You 197:21 wouldn't be able to know and understand that; would 197:22 you?	DW03_Donald Walker Plaintiffs' Submission.239
197:25 - 198:3	Walker, Donald 01-10-2019 (00:00:02) 197:25 THE WITNESS: The -- 198:1 BY MR. KENNEDY:	DW03_Donald Walker Plaintiffs' Submission.240

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198:5 - 198:6	<p>198:2 Q. You wouldn't have that info; would 198:3 you?</p> <p>Walker, Donald 01-10-2019 (00:00:08)</p> <p>198:5 THE WITNESS: We would not have the detail 198:6 of prescription by doctor.</p>	DW03_Donald Walker Plaintiffs' Submission.241
198:15 - 198:18	<p>Walker, Donald 01-10-2019 (00:00:07)</p> <p>198:15 Q. Not just the duty to know the 198:16 pharmacy, but you had to know the pharmacy's 198:17 customers? That was part of your obligation with the 198:18 DEA; was it not?</p>	DW03_Donald Walker Plaintiffs' Submission.242
198:21 - 199:11	<p>Walker, Donald 01-10-2019 (00:00:47)</p> <p>198:21 THE WITNESS: No, our -- our responsibility 198:22 was to continue to adhere to the regulations 198:23 associated with distribution and handling of 198:24 controlled substances. 198:25 ///</p> <p>199:1 BY MR. KENNEDY: 199:2 Q. Sir, look at the very next page of 199:3 your slide -- your slide presentation, -175, the very 199:4 next page. It says, "DEA Registrants" at the top; 199:5 right? 199:6 A. Yes. 199:7 Q. This is your presentation. Then the 199:8 first box on the left, does it state, "Know your 199:9 customer and your customer's customer"? Is that what 199:10 your presentation states? 199:11 A. Yes, it does.</p>	DW03_Donald Walker Plaintiffs' Submission.243
199:12 - 199:13	<p>Walker, Donald 01-10-2019 (00:00:02)</p> <p>199:12 Q. And that was your obligation at 199:13 McKesson; was it not?</p>	DW03_Donald Walker Plaintiffs' Submission.244
199:16 - 199:23	<p>Walker, Donald 01-10-2019 (00:00:25)</p> <p>199:16 THE WITNESS: I would more accurately define 199:17 this as our effort to ensure that we were doing 199:18 everything that we could to manage the distribution 199:19 of controlled substances. There -- there was not a 199:20 regulatory requirement to know our customer, our 199:21 customer's customer, but clearly there is an 199:22 opportunity for us to do everything we can to support 199:23 the DEA in their enforcement actions.</p>	DW03_Donald Walker Plaintiffs' Submission.245
199:25 - 200:5	<p>Walker, Donald 01-10-2019 (00:00:15)</p>	DW03_Donald Walker Plaintiffs' Submission.246

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199:25	Q. Doesn't it say, "DEA Registrants,"	
200:1	and then underneath the big arrow it says,	
200:2	"Regulatory Burden"? And your statement to all of	
200:3	the Directors in Regulatory Affairs, "Know your	
200:4	customer and your customer's customer"; is that your	
200:5	slide?	
200:8 - 200:14	Walker, Donald 01-10-2019 (00:00:22)	DW03_Donald Walker Plaintiffs' Submission.247
200:8	Q. Is that your slide?	
200:9	A. This is -- this is a slide that I	
200:10	created.	
200:11	Q. And without prescribing data from the	
200:12	16,000 individual pharmacies that were part of the	
200:13	big chain pharmacy accounts, there is no way for	
200:14	McKesson to know its customer's customer; is there?	
200:17 - 200:19	Walker, Donald 01-10-2019 (00:00:09)	DW03_Donald Walker Plaintiffs' Submission.248
200:17	THE WITNESS: Without prescribing data from	
200:18	the national accounts, we would not have the elements	
200:19	of prescription data that we have outlined before.	
201:6 - 201:14	Walker, Donald 01-10-2019 (00:00:23)	DW03_Donald Walker Plaintiffs' Submission.249
201:6	BY MR. KENNEDY:	
201:7	Q. And the Directors of Regulatory	
201:8	Affairs, and the folks that worked for them, they	
201:9	didn't get in their cars on a regular basis and	
201:10	physically visit the pharmacies of the big chain	
201:11	pharmacies; correct?	
201:12	A. Again, I can't say that it never	
201:13	occurred. But generally we did not conduct site	
201:14	visits at the chain pharmacies.	
201:25 - 202:2	Walker, Donald 01-10-2019 (00:00:07)	DW03_Donald Walker Plaintiffs' Submission.250
201:25	Q. All right. But essentially McKesson	
202:1	was allowing the big chain pharmacies to monitor	
202:2	themselves with respect to threshold increases?	
202:5 - 203:1	Walker, Donald 01-10-2019 (00:01:09)	DW03_Donald Walker Plaintiffs' Submission.251
202:5	THE WITNESS: We relied on the resources	
202:6	that were in the chain pharmacies, with the stated	
202:7	responsibility for their regulatory compliance, to	
202:8	help us in ensuring that their pharmacies were	
202:9	executing appropriately.	
202:10	BY MR. KENNEDY:	
202:11	Q. Well, let me ask, did McKesson ever	

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202:12 think that -- let's say, for example, did they ever

202:13 think that CVS would report themselves to the DEA?

202:14 A. I'm not sure I understand that

202:15 question.

202:16 Q. Did McKesson ever believe that CVS,

202:17 for example, CVS headquarters, would report one of

202:18 their own pharmacies to the DEA?

202:19 A. I can't answer the question. I

202:20 don't -- I don't know.

202:21 Q. I mean, did CVS ever sit there and

202:22 say, well, we think that CVS headquarters will

202:23 contact the DEA and tell them we have a pharmacy in

202:24 West Virginia that is violating the law, and we think

202:25 you should close them down? Do you think that they

203:1 would ever do that?

203:4 - 204:1

Walker, Donald 01-10-2019 (00:01:08)

203:4 THE WITNESS: Again, I can't answer what CVS

203:5 would or would not do with information that they

203:6 received.

203:7 BY MR. KENNEDY:

203:8 Q. Let's talk about Level 1

203:9 investigations. That's the investigation that would

203:10 take place after -- after an individual pharmacy

203:11 would place an order that exceeded their threshold;

203:12 correct?

203:13 A. Yes.

203:14 Q. And, again, I want to focus on the

203:15 national chains. So if a -- if a small

203:16 independent -- if a small independent chain ordered

203:17 over their threshold, McKesson would contact that

203:18 individual pharmacy directly; true? That was the

203:19 policy?

203:20 A. Yes, that's correct.

203:21 Q. But if the -- but if an individual

203:22 pharmacy from a big national chain ordered over their

203:23 opioid threshold, then McKesson would contact the

203:24 national headquarters of the chain; true?

203:25 A. If we were to make the contact, it

204:1 would be with the chain -- the chain headquarters.

211:23 - 211:24

Walker, Donald 01-10-2019 (00:00:02)

DW03_Donald Walker Plaintiffs' Submission

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	211:23 MR. KENNEDY: Let me show you Exhibit 685.	
	211:24 (Exhibit No. 685 was marked.)	
211:25 - 212:10	Walker, Donald 01-10-2019 (00:00:52)	DW03_Donald Walker Plaintiffs' Submission.254
	211:25 MR. KENNEDY: 685 is Bates -498295 to -307.	
	212:1 Q. Do you remember this document?	
	212:2 A. Yes, I do.	
	212:3 Q. And this is a PowerPoint that was put	
	212:4 together for presentation to the DEA; true?	
	212:5 A. The date of this document is -- and	
	212:6 my understanding of this document, based on the date	
	212:7 here, is that it was a document that we put together	
	212:8 for a review with various DEA field offices and DEA.	
	212:9 Q. Did you prepare this?	
	212:10 A. I prepared the original, yes.	
212:11 - 212:11	Walker, Donald 01-10-2019 (00:00:03)	DW03_Donald Walker Plaintiffs' Submission.255
	212:11 Q. Go to page -302, if you would. See	
212:12 - 213:24	Walker, Donald 01-10-2019 (00:01:48)	DW03_Donald Walker Plaintiffs' Submission.256
	212:12 where it says, "Level 1 Review"?	
	212:13 A. Yes.	
	212:14 Q. That's what we've been talking about	
	212:15 with respect to the large chain pharmacies; right?	
	212:16 A. Yes.	
	212:17 Q. And in this presentation to the DEA,	
	212:18 does it state, "Review and Escalation. Level 1	
	212:19 Review, Actions: Direct contact customer"?	
	212:20 Well, that's not true with respect to the	
	212:21 big regional accounts, the big national accounts.	
	212:22 You contacted headquarters, you didn't contact the	
	212:23 pharmacy that ordered over the threshold; true?	
	212:24 True?	
	212:25 A. That's not accurate.	
	213:1 Our relationship at a retail national	
	213:2 account level was specifically and strictly with the	
	213:3 headquarters, in all matters.	
	213:4 Q. Exactly. So the individual pharmacy,	
	213:5 the individual pharmacy that went over the threshold	
	213:6 and was subject to a Level 1 Review, they weren't	
	213:7 contacted; you contacted headquarters, correct?	
	213:8 A. That is correct.	
	213:9 Q. And it says, "You will ascertain the	

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213:10 reason for exceeding the threshold." But as you just
 213:11 told us, corporate headquarters wouldn't even
 213:12 necessarily get back to you as to why their
 213:13 individual pharmacy exceeded the threshold; right?
 213:14 A. That could occur, yes.
 213:15 Q. It says, "Conduct analysis as
 213:16 required." And then at the bottom, "Documentation."
 213:17 My question is, when you made this
 213:18 presentation to the DEA in 2008, did you tell them
 213:19 that with respect to these Level 1 Reviews, this
 213:20 isn't going to apply to the big national chains,
 213:21 we're going to let them do all of this themselves?
 213:22 Did you tell them that the big national chains
 213:23 weren't going to be a part of these Level 1 Reviews
 213:24 by McKesson?

214:1 - 214:8

Walker, Donald 01-10-2019 (00:00:21)

DW03_Donald Walker Plaintiffs' Submission:207

214:1 THE WITNESS: I don't recall specifically if
 214:2 we had the conversation with DEA either at a local
 214:3 level or at headquarters level of how we were going
 214:4 to handle the retail national accounts.
 214:5 BY MR. KENNEDY:

214:6 Q. Do you recall telling them, you know,
 214:7 we're going to let 16,000 pharmacies really kind of
 214:8 monitor themselves? Did you tell them that?

214:11 - 214:12

Walker, Donald 01-10-2019 (00:00:02)

DW03_Donald Walker Plaintiffs' Submission:208

214:11 THE WITNESS: No, we didn't have that
 214:12 conversation.

214:20 - 214:24

Walker, Donald 01-10-2019 (00:00:15)

DW03_Donald Walker Plaintiffs' Submission:209

214:20 And so let me ask you, Rite Aid, was that a
 214:21 big national account, one of the big retail RNA
 214:22 accounts at McKesson?
 214:23 A. Rite Aid was and is a large customer
 214:24 of McKesson.

217:10 - 217:15

Walker, Donald 01-10-2019 (00:00:19)

DW03_Donald Walker Plaintiffs' Submission:209

217:10 Q. Let me ask you this. Maybe we can
 217:11 shortcut things. Did the big national chains, such
 217:12 as CVS and Walmart and Rite Aid, did they represent,
 217:13 then, to McKesson that they would review their own
 217:14 pharmacies when their own pharmacy exceeded a
 217:15 threshold and you notified them?

DW03_Donald Walker Plaintiffs' Submission

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217:18 - 217:19	Walker, Donald 01-10-2019 (00:00:02) 217:18 Q. Was that the understanding, the 217:19 representation?	DW03_Donald Walker Plaintiffs' Submission.261
217:21 - 218:2	Walker, Donald 01-10-2019 (00:00:22) 217:21 THE WITNESS: I think it's better said that 217:22 we understood that they would -- had their own 217:23 internal reports and mechanisms to monitor and 217:24 evaluate their own pharmacies' distribution of 217:25 controlled substances, and we relied on their 218:1 resources and their expertise and their data that 218:2 they had and kept internally to manage that.	DW03_Donald Walker Plaintiffs' Submission.262
218:4 - 218:9	Walker, Donald 01-10-2019 (00:00:12) 218:4 Q. But, again, you were relying upon 218:5 their representation of their monitoring programs, 218:6 but -- because you didn't hire people to sneak into 218:7 their offices and look at their monitoring programs? 218:8 They provided you with the statements that they were 218:9 monitoring; correct?	DW03_Donald Walker Plaintiffs' Submission.263
218:12 - 218:18	Walker, Donald 01-10-2019 (00:00:24) 218:12 THE WITNESS: Our -- our discussions with 218:13 our national account customers, in each of those they 218:14 would describe to us, and we would have discussions 218:15 around the processes that they used, and we -- again, 218:16 we utilized them heavily to -- as resources that were 218:17 available to help us in managing our overall 218:18 Controlled Substance Monitoring Program.	DW03_Donald Walker Plaintiffs' Submission.264
218:19 - 218:24	Walker, Donald 01-10-2019 (00:00:23) 218:19 MR. KENNEDY: Give me 678. 218:20 (Exhibit No. 678 was marked.) 218:21 BY MR. KENNEDY: 218:22 Q. I am going to show you Exhibit 678, 218:23 which we don't have Bates numbers on. Let me give 218:24 you this. It's 445881-4.	DW03_Donald Walker Plaintiffs' Submission.265
218:25 - 219:3	Walker, Donald 01-10-2019 (00:00:18) 218:25 If you go down to the bottom, this is an 219:1 email by Elaine Thomet again, July 17, 2014. I want 219:2 to see if you agree with this. Do you see the second 219:3 page?	DW03_Donald Walker Plaintiffs' Submission.266
219:4 - 219:5	Walker, Donald 01-10-2019 (00:00:02) 219:4 A. Hang on just a moment. Let me just	DW03_Donald Walker Plaintiffs' Submission.267

DW03_Donald Walker Plaintiffs' Submission

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219:6 - 219:11	<p>219:5 take a quick look.</p> <p>Walker, Donald 01-10-2019 (00:00:14)</p> <p>219:6 Okay. Counsel, you directed me to the</p> <p>219:7 second page?</p> <p>219:8 Q. Yes. Look at the second page, the</p> <p>219:9 big letters. I mean, you just looked at it. She</p> <p>219:10 is -- she's talking about setting up informational</p> <p>219:11 phone calls; is she not?</p>	DW03_Donald Walker Plaintiffs' Submission.269
219:12 - 220:9	<p>Walker, Donald 01-10-2019 (00:01:01)</p> <p>219:12 A. Yes.</p> <p>219:13 Q. And look at "The Call/Web-Ex." Does</p> <p>219:14 she state that, "Due to the nature of centralized</p> <p>219:15 management within chains" -- and she's talking about</p> <p>219:16 the big accounts, the big national chains; right?</p> <p>219:17 A. Yes.</p> <p>219:18 Q. (Reading) Due to the nature of</p> <p>219:19 centralized management within chains,</p> <p>219:20 RNA -- that's McKesson -- has the</p> <p>219:21 ability to partner with our chain</p> <p>219:22 customers to act somewhat as our proxy</p> <p>219:23 in regards to regulatory oversight of</p> <p>219:24 their stores. Unlike the ISMC --</p> <p>219:25 that's the smaller ones -- this allows</p> <p>220:1 us to avoid the need to interview and</p> <p>220:2 visit all 16K RNA stores individually</p> <p>220:3 every one to three years, as we are</p> <p>220:4 able to interview the main customer</p> <p>220:5 authorities with regulatory oversight</p> <p>220:6 of their stores (end of reading).</p> <p>220:7 Is that basically what you have been saying</p> <p>220:8 as to -- as to how you addressed chains, the big</p> <p>220:9 national chains?</p>	DW03_Donald Walker Plaintiffs' Submission.269
220:11 - 220:25	<p>Walker, Donald 01-10-2019 (00:00:49)</p> <p>220:11 THE WITNESS: We relied on the national</p> <p>220:12 chains' headquarters, because all the national chains</p> <p>220:13 had standard operating procedures and centralized</p> <p>220:14 oversight in their business model. And our -- our</p> <p>220:15 view was that if you go to one CVS store, you see all</p> <p>220:16 the CVS stores or all the Rite Aid stores because</p> <p>220:17 they had very, very tight controls over how they</p>	DW03_Donald Walker Plaintiffs' Submission.270

DW03_Donald Walker Plaintiffs' Submission

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	220:18 managed their business.	
	220:19 BY MR. KENNEDY:	
	220:20 Q. Well, let me just -- well, first,	
	220:21 tight controls. You understand CVS was fined	
	220:22 \$130 million with respect to violations of the	
	220:23 Controlled Substances Act, \$130 million fines, as you	
	220:24 tell us they had these very, very tight controls?	
	220:25 You knew that in your position, didn't you?	
221:4 - 221:15	Walker, Donald 01-10-2019 (00:00:35)	DW03_Donald Walker Plaintiffs' Submission.271
	221:4 Q. You knew that; did you not?	
	221:5 A. I was aware CVS had paid some	
	221:6 penalties. I don't recall the amount nor do I recall	
	221:7 the events or the issues.	
	221:8 Q. And Ms. Thomet, what she says is	
	221:9 McKesson is giving its proxy to the big national	
	221:10 chains with respect to regulatory oversight? Does	
	221:11 she use the word "proxy"?	
	221:12 A. That is what is written.	
	221:13 Q. And proxy means you are giving	
	221:14 someone else authority to act for you; is that what	
	221:15 it means?	
221:18 - 221:19	Walker, Donald 01-10-2019 (00:00:02)	DW03_Donald Walker Plaintiffs' Submission.272
	221:18 THE WITNESS: Generally, I would understand	
	221:19 that.	
221:21 - 223:1	Walker, Donald 01-10-2019 (00:01:32)	DW03_Donald Walker Plaintiffs' Submission.273
	221:21 Q. And look where she says now, "The	
	221:22 Data." Do you see that, "The Data"?	
	221:23 And does she state:	
	221:24 (Reading) We need to ask them to	
	221:25 provide three months' dispense data	
	222:1 using the form specifically developed	
	222:2 for RNA customers, attached. That	
	222:3 form can be sent to the customer. The	
	222:4 data portion we're looking for them to	
	222:5 provide is simple: DEA number, store	
	222:6 name, total prescription doses	
	222:7 dispensed by the DEA registrant for a	
	222:8 three-month period (excluding liquids,	
	222:9 patches, powders and inhalers and	
	222:10 non-Rx). This data, which only they	

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	222:11 can provide, simply gives us a better 222:12 understanding of their pharmacy size 222:13 and is an important part of your 222:14 equations when determining percentage 222:15 controls to total Rx, for example. If 222:16 we were their sole provider, we could 222:17 potentially rely on our data alone, 222:18 but often that is not the case with 222:19 RNA customers, which is why we need 222:20 them to provide their total dispense 222:21 database (end of reading). 222:22 Do you see that? 222:23 A. I see that written. 222:24 Q. It's 2014, all right, when she is 222:25 saying that. 2014 is the date of this, is it not, 223:1 for this educational webinar?	
223:4 - 223:4	Walker, Donald 01-10-2019 (00:00:00)	DW03_Donald Walker Plaintiffs' Submission:274
	223:4 Q. Is that right?	
223:7 - 223:12	Walker, Donald 01-10-2019 (00:00:17)	DW03_Donald Walker Plaintiffs' Submission:275
	223:7 Q. 2014? 223:8 A. The document is dated in 2014. 223:9 Q. And that's two years after the 223:10 documents we just looked at saying dispensing data is 223:11 a must, it's required for the independent and small 223:12 chains; right? This is two years later?	
223:16 - 223:18	Walker, Donald 01-10-2019 (00:00:06)	DW03_Donald Walker Plaintiffs' Submission:276
	223:16 Q. Is that right? 223:17 A. This -- this document is two years 223:18 after the documents we reviewed earlier.	
223:19 - 223:21	Walker, Donald 01-10-2019 (00:00:10)	DW03_Donald Walker Plaintiffs' Submission:277
	223:19 Q. And it's eight years after the DEA 223:20 told McKesson this is what diversion looks like; 223:21 right? Eight years?	
223:25 - 223:25	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission:278
	223:25 Q. Eight years, sir?	
224:2 - 224:10	Walker, Donald 01-10-2019 (00:00:29)	DW03_Donald Walker Plaintiffs' Submission:279
	224:2 THE WITNESS: I think better -- a better 224:3 characterization there is that it was eight years 224:4 after DEA identified issues with Internet pharmacies. 224:5 They didn't reveal all of this -- these issues.	

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224:12 - 224:16	<p>224:6 And, frankly, as we evolved our program and</p> <p>224:7 gained additional information and additional</p> <p>224:8 knowledge and ability to utilize data, we expanded</p> <p>224:9 our enforcement and -- well, not enforcement, but our</p> <p>224:10 oversight effort in every way that we could.</p> <p>Walker, Donald 01-10-2019 (00:00:19)</p> <p>224:12 Q. Sir, the DEA said it in 2006, it was</p> <p>224:13 required for the smaller chains by '12, and there's</p> <p>224:14 no requirement, at least according to the documents</p> <p>224:15 we're looking at, until 2014 with respect to the big</p> <p>224:16 national accounts; right?</p>	DW03_Donald Walker Plaintiffs' Submission.289
224:19 - 224:22	<p>Walker, Donald 01-10-2019 (00:00:10)</p> <p>224:19 THE WITNESS: Again, as -- as the program</p> <p>224:20 evolved and we identified additional information and</p> <p>224:21 areas that we needed to focus, we modified our</p> <p>224:22 program and our request for data.</p>	DW03_Donald Walker Plaintiffs' Submission.291
225:9 - 225:16	<p>Walker, Donald 01-10-2019 (00:00:23)</p> <p>225:9 Q. Is that right, sir, eight years to</p> <p>225:10 develop it?</p> <p>225:11 A. It is eight years between 2006 and</p> <p>225:12 2014. But it is not correct that DEA identified all</p> <p>225:13 the issues and all the information that we have</p> <p>225:14 discussed in terms of prescription data. And during</p> <p>225:15 that time frame, prescription data resources and</p> <p>225:16 capabilities increased significantly with technology.</p>	DW03_Donald Walker Plaintiffs' Submission.292
225:17 - 226:6	<p>Walker, Donald 01-10-2019 (00:00:44)</p> <p>225:17 Q. You've said over and over that this</p> <p>225:18 reliance upon the headquarters of the big national</p> <p>225:19 chains was based upon the fact that they had their</p> <p>225:20 own monitoring program, their own Controlled</p> <p>225:21 Substance Monitoring Program; is that what I have</p> <p>225:22 heard you say?</p> <p>225:23 A. More accurately, they had better data</p> <p>225:24 and regulatory oversight. We were never made privy</p> <p>225:25 to the specifics of their programs. The chains</p> <p>226:1 considered their data to be very proprietary and, as</p> <p>226:2 a result, we reviewed it at a high level.</p> <p>226:3 Q. They never told you -- you relied</p> <p>226:4 upon the fact that they had their own Controlled</p> <p>226:5 Substances Monitoring Program, but they didn't give</p>	DW03_Donald Walker Plaintiffs' Submission.293

DW03_Donald Walker Plaintiffs' Submission

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226:9 - 226:13	<p>226:6 you the detail of those programs ever; did they?</p> <p>Walker, Donald 01-10-2019 (00:00:12)</p> <p>226:9 THE WITNESS: To my knowledge, we never had</p> <p>226:10 any detailed specifics from a chain on their -- on</p> <p>226:11 their programs, due to their proprietary view of</p> <p>226:12 their data.</p> <p>226:13 BY MR. KENNEDY:</p>	DW03_Donald Walker Plaintiffs' Submission:284
227:8 - 227:15	<p>Walker, Donald 01-10-2019 (00:00:26)</p> <p>227:8 Q. Did Congress ever tell McKesson -- we</p> <p>227:9 know what it enacted in 1970, the Controlled</p> <p>227:10 Substances Act. But did they ever enact anything</p> <p>227:11 thereafter that told McKesson, you can give</p> <p>227:12 pharmacies in the big national accounts your proxy to</p> <p>227:13 do your due diligence as it relates to Regulatory</p> <p>227:14 Affairs over controlled substances? Did Congress</p> <p>227:15 ever tell McKesson that?</p>	DW03_Donald Walker Plaintiffs' Submission:285
227:17 - 227:24	<p>Walker, Donald 01-10-2019 (00:00:42)</p> <p>227:17 THE WITNESS: The regulation required that</p> <p>227:18 we operate a system to identify suspicious orders and</p> <p>227:19 have systems to prevent the diversion of controlled</p> <p>227:20 substances. We utilized the -- and the pharmacies</p> <p>227:21 and the chains as a registrant had the same</p> <p>227:22 responsibility. So we relied upon their</p> <p>227:23 responsibility and their tools to assist us in</p> <p>227:24 ensuring that we were complying.</p>	DW03_Donald Walker Plaintiffs' Submission:286
229:6 - 229:8	<p>Walker, Donald 01-10-2019 (00:00:06)</p> <p>229:6 Q. But they would monitor the drugs they</p> <p>229:7 were distributing, but they weren't monitoring the</p> <p>229:8 drugs they were buying from you?</p>	DW03_Donald Walker Plaintiffs' Submission:287
229:11 - 229:15	<p>Walker, Donald 01-10-2019 (00:00:13)</p> <p>229:11 THE WITNESS: Again, we utilized -- because</p> <p>229:12 they had processes and systems and data in place, we</p> <p>229:13 utilized strongly their resources to help us in</p> <p>229:14 overseeing and managing the distribution of</p> <p>229:15 controlled substances to their pharmacies.</p>	DW03_Donald Walker Plaintiffs' Submission:288
229:17 - 229:25	<p>Walker, Donald 01-10-2019 (00:00:21)</p> <p>229:17 Q. You understand that the</p> <p>229:18 responsibilities under the law for a pharmacy to</p> <p>229:19 prevent a diversion is different than the</p> <p>229:20 responsibilities under the law of a distributor?</p>	DW03_Donald Walker Plaintiffs' Submission:289

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	229:21 They are different; correct?	
	229:22 A. I don't understand specifically the	
	229:23 regulations associated with pharmacy. I've never	
	229:24 reviewed them. But generally I understand that they	
	229:25 are different.	
230:15 - 230:21	Walker, Donald 01-10-2019 (00:00:15)	DW03_Donald Walker Plaintiffs' Submission.289
	230:15 Q. And you understand the regulation	
	230:16 gave a responsibility and a set of responsibilities	
	230:17 to the two different entities? Distributors, you've	
	230:18 got your jobs, and pharmacies, you have your job;	
	230:19 correct?	
	230:20 A. I understand the distributor	
	230:21 responsibilities.	
231:10 - 231:11	Walker, Donald 01-10-2019 (00:00:02)	DW03_Donald Walker Plaintiffs' Submission.291
	231:10 MR. KENNEDY: Let me show you Exhibit 674,	
	231:11 if I could.	
231:15 - 231:15	Walker, Donald 01-10-2019 (00:00:06)	DW03_Donald Walker Plaintiffs' Submission.292
	231:15 Q. This is Bates -507218 to -507220.	
231:16 - 233:20	Walker, Donald 01-10-2019 (00:02:33)	DW03_Donald Walker Plaintiffs' Submission.293
	231:16 This is an email from Michael Oriente, if you look at	
	231:17 the top. Who is Michael Oriente?	
	231:18 A. Michael Oriente was -- was and is the	
	231:19 Director of Regulatory Affairs for the East Region --	
	231:20 Northeast Region.	
	231:21 Q. So a big responsibility. He's one of	
	231:22 four/six people; correct?	
	231:23 A. Yes, at that point in time.	
	231:24 Q. And at this point in time, he is also	
	231:25 responsible for managing and monitoring some of the	
	232:1 large national chains; true?	
	232:2 A. Yes.	
	232:3 Q. And this is April of 2011. And does	
	232:4 he state, "Dave" -- and he's sending an email to Dave	
	232:5 Gustin, who is another Regulatory Affairs person;	
	232:6 right? He's in the Midwest; right?	
	232:7 A. Yes.	
	232:8 Q. He also has some responsibility for	
	232:9 these big national chains; right?	
	232:10 A. Yes.	
	232:11 Q. And does he state, "Dave, can you ask	

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232:12 RNA" -- and that's the regional national account

232:13 portion of McKesson; right?

232:14 A. Yes.

232:15 Q. "Can you ask RNA to provide a contact

232:16 person for each chain?"

232:17 Does it look like he doesn't even know who

232:18 to contact? He's a Director of Regulatory Affairs,

232:19 he's managing certain big national accounts, and he's

232:20 asking for the contact person at the chain; is he

232:21 not? Is that what that says?

232:22 "Can you ask RNA" -- a part of McKesson --

232:23 "to provide a contact person for each chain?" Is

232:24 that how he starts the email?

232:25 A. Yes, it's what's written here.

233:1 Q. And then does he say:

233:2 (Reading) They could add it to our

233:3 DRA, Director of Regulatory Affairs,

233:4 RNA sheet that lists which of us has

233:5 what chain and if any chain has a

233:6 documented Controlled Substance

233:7 Monitoring Program process that they

233:8 could share with us so we could better

233:9 understand what they are doing on

233:10 their side for compliance (end of

233:11 reading).

233:12 Is that what he says?

233:13 A. That's what's written.

233:14 Q. So here's a Director of Regulatory

233:15 Affairs that is monitoring large national chains, and

233:16 number one, he doesn't even know who to contact at

233:17 the national chains; and, number two, he's asking

233:18 whether or not they even have a documented Controlled

233:19 Substance Monitoring Program. Isn't that what he's

233:20 asking?

233:23 - 233:23 **Walker, Donald 01-10-2019 (00:00:00)**

233:23 Q. Right?

234:2 - 234:4 **Walker, Donald 01-10-2019 (00:00:04)**

234:2 Q. Is that correct, sir?

234:3 A. That's what is written here, is that

234:4 request.

DW03_Donald Walker Plaintiffs' Submission.284

DW03_Donald Walker Plaintiffs' Submission.285

DW03_Donald Walker Plaintiffs' Submission

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234:9 - 234:12	Walker, Donald 01-10-2019 (00:00:05) 234:9 Q. He was in charge of Rite Aid for a 234:10 certain portion of time; do you know that? 234:11 A. I do recall he had responsibility for 234:12 Rite Aid.	DW03_Donald Walker Plaintiffs' Submission.286
234:22 - 235:2	Walker, Donald 01-10-2019 (00:00:15) 234:22 Q. So McKesson is relying upon these 234:23 large national chains to do their own monitoring, and 234:24 then the person at McKesson who is in charge of 234:25 various national chains doesn't even know who to 235:1 contact, doesn't even know if they have a documented 235:2 monitoring program; right?	DW03_Donald Walker Plaintiffs' Submission.287
235:5 - 235:5	Walker, Donald 01-10-2019 (00:00:01) 235:5 Q. Isn't that what this is saying to us?	DW03_Donald Walker Plaintiffs' Submission.288
235:7 - 235:21	Walker, Donald 01-10-2019 (00:00:40) 235:7 THE WITNESS: No, I don't think that's 235:8 accurate, as I read this. 235:9 What I understand it to mean is more of an 235:10 update of who the contact people are in the chains. 235:11 I mean, people move around in the chain headquarters 235:12 constantly. And he's simply, as I'm reading this, 235:13 was trying to determine whether there was other 235:14 information that we could use in our ongoing effort 235:15 to manage our controlled substance program. 235:16 BY MR. KENNEDY: 235:17 Q. Well, at this point in time -- maybe 235:18 there's been change, maybe people are moving around, 235:19 but this man, in charge of CVS and Rite Aid and 235:20 Costco and Krogers, he doesn't even know who to call; 235:21 right?	DW03_Donald Walker Plaintiffs' Submission.289
236:4 - 236:5	Walker, Donald 01-10-2019 (00:00:01) 236:4 Q. Isn't that what this is saying at 236:5 this moment in time?	DW03_Donald Walker Plaintiffs' Submission.290
236:6 - 236:8	Walker, Donald 01-10-2019 (00:00:04) 236:6 A. No, that's not accurate. I don't 236:7 believe that this is that at all. I think he is 236:8 ensuring that he has right information.	DW03_Donald Walker Plaintiffs' Submission.291
236:10 - 236:14	Walker, Donald 01-10-2019 (00:00:09) 236:10 Q. Would you agree with me that he's 236:11 asking, hey, do any of these chains actually have a	DW03_Donald Walker Plaintiffs' Submission.292

DW03_Donald Walker Plaintiffs' Submission

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236:12 - 236:21	<p>236:12 documented CSMP, Controlled Substance Monitoring 236:13 Program? Isn't he asking that? Could somebody tell 236:14 me?</p> <p>Walker, Donald 01-10-2019 (00:00:07)</p> <p>236:18 Q. Right?</p> <p>236:19 A. Again, what is written is a request 236:20 if they have a documented CSMP process that they 236:21 could share.</p>	DW03_Donald Walker Plaintiffs' Submission.363
249:2 - 249:9	<p>Walker, Donald 01-10-2019 (00:00:25)</p> <p>249:2 Q. All right. So when we looked back at 249:3 that email from Ms. Thomet, where she said that 249:4 McKesson was giving its proxy of due diligence to the 249:5 big national chains, you gave your proxy to big 249:6 national chains -- I just want to be clear, you gave 249:7 your proxies to big national chains without knowing 249:8 whether or not they had a Suspicious Order Monitoring 249:9 Program?</p>	DW03_Donald Walker Plaintiffs' Submission.364
249:12 - 249:12	<p>Walker, Donald 01-10-2019 (00:00:01)</p> <p>249:12 Q. Is that your testimony, sir?</p>	DW03_Donald Walker Plaintiffs' Submission.365
249:14 - 250:3	<p>Walker, Donald 01-10-2019 (00:00:50)</p> <p>249:14 THE WITNESS: What I can't answer is whether 249:15 or not we determined at the time that we interacted 249:16 with these national chains, at that point in time 249:17 whether they had a Suspicious Order Monitoring 249:18 Program in place or not. 249:19 BY MR. KENNEDY: 249:20 Q. You did not determine that? 249:21 A. At that point in time I don't believe 249:22 so. Or "I don't know," is my response. In 2008, we 249:23 were just rolling out CSMP, but I don't know whether 249:24 we asked every chain that question or not. 249:25 Q. In 2009 did you ask the chains -- 250:1 before you gave them your proxy on due diligence, did 250:2 you ask chains in 2009, such as CVS, whether or not 250:3 they had a Suspicious Order Monitoring Program?</p>	DW03_Donald Walker Plaintiffs' Submission.366
250:6 - 250:8	<p>Walker, Donald 01-10-2019 (00:00:05)</p> <p>250:6 Q. In relation to outside orders, not 250:7 what they were distributing themselves, but what they 250:8 were getting from McKesson?</p>	DW03_Donald Walker Plaintiffs' Submission.367
250:12 - 251:3	<p>Walker, Donald 01-10-2019 (00:00:54)</p>	DW03_Donald Walker Plaintiffs' Submission.368

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250:12	Q. Did you ask that in 2009?	
250:13	A. I don't know.	
250:14	Q. In 2010 did you ask the big chain	
250:15	pharmacies, including CVS, whether or not they had a	
250:16	Suspicious Order Monitoring Program that covers	
250:17	orders that they placed with McKesson? Did you ask	
250:18	them that in 2010?	
250:19	A. I don't know.	
250:20	Q. In 2011 did you ask the big national	
250:21	chains, including CVS, whether or not they had	
250:22	Suspicious Order Monitoring Programs in relation to	
250:23	opioids that they were purchasing from McKesson?	
250:24	A. I do not know.	
250:25	Q. And, sir, you were -- you were in	
251:1	charge of all the regulatory during this period, were	
251:2	you not, 2010, 2011, and 2012? You were in charge --	
251:3	A. Yes.	
251:11 - 251:20	Walker, Donald 01-10-2019 (00:00:22)	DW03_Donald Walker Plaintiffs' Submission.289
251:11	Q. You do not know whether you even	
251:12	asked them whether or not they had a Suspicious Order	
251:13	Monitoring Program? You don't know?	
251:14	A. I do not know whether we asked that	
251:15	question.	
251:16	Q. What about 2013? In 2013 did you	
251:17	ever ask any of the big chains, anybody at McKesson	
251:18	ever ask any of the big national chains, including	
251:19	CVS, whether or not they had a Suspicious Order	
251:20	Monitoring Program?	
251:23 - 251:23	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.290
251:23	THE WITNESS: I do not know.	
302:10 - 302:11	Walker, Donald 01-10-2019 (00:00:04)	DW03_Donald Walker Plaintiffs' Submission.301
302:10	Q. Was that required of McKesson in	
302:11	2007, do not ship until we do our due diligence?	
302:13 - 302:21	Walker, Donald 01-10-2019 (00:00:22)	DW03_Donald Walker Plaintiffs' Submission.302
302:13	THE WITNESS: There is no regulatory	
302:14	requirement to not ship. There is a regulatory	
302:15	requirement to report.	
302:16	BY MR. KENNEDY:	
302:17	Q. All right. And did the DEA tell you	
302:18	in 2006 that you are required not to ship until you	

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302:25 - 303:6	<p>302:19 do your due diligence on a potentially suspicious 302:20 order? Did they tell you that in '06 in a letter to 302:21 McKesson?</p> <p>Walker, Donald 01-10-2019 (00:00:30)</p> <p>302:25 Q. Did they tell you that in '06 in a 303:1 letter to McKesson? 303:2 A. In 2006 their guidance and direction 303:3 was, do not ship. And the requirement is at the 303:4 point that we determine an order to be suspicious. 303:5 Q. Does your CSMP that you put in place 303:6 in 2008 say, do not ship --</p>	DW03_Donald Walker Plaintiffs' Submission.213
303:9 - 303:10	<p>Walker, Donald 01-10-2019 (00:00:06)</p> <p>303:9 Q. -- until we have done our due 303:10 diligence? Does your own CSMP say that in 2008?</p>	DW03_Donald Walker Plaintiffs' Submission.214
303:12 - 303:15	<p>Walker, Donald 01-10-2019 (00:00:13)</p> <p>303:12 THE WITNESS: Our CSMP blocks the order. We 303:13 conduct the due diligence. But at the point we 303:14 determine that order to be suspicious, is at the 303:15 point where we need to report to the DEA.</p>	DW03_Donald Walker Plaintiffs' Submission.215
335:19 - 336:10	<p>Walker, Donald 01-10-2019 (00:01:09)</p> <p>335:19 Q. Now, also built right into your 335:20 program for the salespeople, you told us -- we've 335:21 established this -- that if a pharmacy would order 335:22 over their threshold, then there would be a Level 1 335:23 Review or investigation; correct? 335:24 A. Yes, as part of the review process, 335:25 there would be a Level 1 Review. 336:1 Q. And your program had salespeople 336:2 doing the Level 1 Review of the pharmacies; correct? 336:3 A. Again, we would -- we would utilize 336:4 the sales force to help us understand and gain 336:5 information as to why the increase or the threshold 336:6 was -- was exceeded. And but at no time was the 336:7 sales force authorized to approve a threshold 336:8 increase. The information was reviewed by the DRAs. 336:9 They were the sole responsible parties to increase 336:10 thresholds.</p>	DW03_Donald Walker Plaintiffs' Submission.216
336:11 - 336:16	<p>Walker, Donald 01-10-2019 (00:00:14)</p> <p>336:11 Q. I'm not talking about threshold 336:12 increases. I'm talking about Level 1 investigations</p>	DW03_Donald Walker Plaintiffs' Submission.217

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336:19 - 337:2	<p>336:13 into a potential suspicious order because a customer 336:14 has ordered over their threshold. You had 336:15 salespeople doing those reviews and investigations; 336:16 did you not, sir?</p> <p>Walker, Donald 01-10-2019 (00:00:25)</p> <p>336:19 THE WITNESS: The sales force was used not 336:20 exclusively. But the sales force was used to help in 336:21 the Level 1 Review. 336:22 BY MR. KENNEDY: 336:23 Q. That was a national practice; was it 336:24 not? National practice? 336:25 A. I don't have the specifics. But 337:1 generally I believe it took place across all of our 337:2 regions.</p>	DW03_Donald Walker Plaintiffs' Submission.318
337:3 - 337:7	<p>Walker, Donald 01-10-2019 (00:00:08)</p> <p>337:3 Q. And the salespeople didn't want to 337:4 investigate their own customers, because if they 337:5 investigated their customer, the pharmacy may turn 337:6 them in to DEA, then McKesson wasn't going to sell to 337:7 them anymore; right?</p>	DW03_Donald Walker Plaintiffs' Submission.319
337:11 - 337:11	<p>Walker, Donald 01-10-2019 (00:00:01)</p> <p>337:11 Q. And the salespeople knew that;</p>	DW03_Donald Walker Plaintiffs' Submission.320
337:11 - 337:11	<p>Walker, Donald 01-10-2019 (00:00:00)</p> <p>337:11 Q. right?</p>	DW03_Donald Walker Plaintiffs' Submission.321
337:16 - 337:24	<p>Walker, Donald 01-10-2019 (00:00:16)</p> <p>337:16 THE WITNESS: I wouldn't agree with that 337:17 statement. The salespeople were very diligent in 337:18 their process and, quite frankly, reported a lot of 337:19 pharmacies to us that they chose not to sign up for 337:20 controlled substances. 337:21 BY MR. KENNEDY: 337:22 Q. You say "they" reported a lot of 337:23 pharmacies to you. The salespeople did? 337:24 A. Yes.</p>	DW03_Donald Walker Plaintiffs' Submission.322
339:21 - 339:22	<p>Walker, Donald 01-10-2019 (00:00:02)</p> <p>339:21 732, please. 339:22 (Exhibit No. 732 was marked.)</p>	DW03_Donald Walker Plaintiffs' Submission.323
339:23 - 341:3	<p>Walker, Donald 01-10-2019 (00:01:20)</p> <p>339:23 BY MR. KENNEDY: 339:24 Q. Do you see this email? This is from</p>	DW03_Donald Walker Plaintiffs' Submission.324

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339:25 you dated 9-17-13; do you see that?

340:1 A. Yes.

340:2 Q. And the next page says, "Controlled

340:3 Substances Regulatory Org Structure." Do you see

340:4 that?

340:5 A. Yes.

340:6 Q. This is created by you?

340:7 A. Yes.

340:8 Q. And this is 2013. And if you go to

340:9 page -500. Do you see that? Look at the second

340:10 bullet point. Do you see that second bullet point?

340:11 A. Yes.

340:12 Q. In 2013 you write:

340:13 (Reading) Prior Controlled Substances

340:14 Monitoring Program process heavily

340:15 dependent on sales and op (end of

340:16 reading).

340:17 Do you see that?

340:18 A. Yes.

340:19 Q. And underneath it do you write,

340:20 "Inconsistent, competency, and conflict of

340:21 objectives"? Is that what you wrote in 2013, five

340:22 years into the program?

340:23 A. I don't recall specifically creating

340:24 this document, but that's what the document states.

340:25 Q. And in 2013 you, as the boss of all

341:1 of Regulatory, after five years you took sales out of

341:2 the middle of the monitoring program; didn't you,

341:3 sir?

341:5 - 341:12

Walker, Donald 01-10-2019 (00:00:16)

341:5 THE WITNESS: Again, I don't recall

341:6 specifically. But I know that we modified our

341:7 go-forward processes.

341:8 BY MR. KENNEDY:

341:9 Q. And, sir, over and above these

341:10 salespeople that we're talking about, you had -- you

341:11 had marketing people at McKesson; did you not? We

341:12 have talked about them.

341:16 - 341:23

Walker, Donald 01-10-2019 (00:00:12)

341:16 Q. There were marketing people at

DW03_Donald Walker Plaintiffs' Submission.325

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	341:17 McKesson; were there not?	
	341:18 A. Yes, there was a marketing	
	341:19 department.	
	341:20 Q. And while you were trying to control	
	341:21 the flow of opioids into the communities and the	
	341:22 pharmacy, the marketing people were trying to sell	
	341:23 more opioids; were they not?	
342:1 - 342:3	Walker, Donald 01-10-2019 (00:00:03)	DW03_Donald Walker Plaintiffs' Submission.327
	342:1 THE WITNESS: No, that's not accurate.	
	342:2 MR. KENNEDY: 720.	
	342:3 (Exhibit No. 720 was marked.)	
342:4 - 342:7	Walker, Donald 01-10-2019 (00:00:09)	DW03_Donald Walker Plaintiffs' Submission.328
	342:4 BY MR. KENNEDY:	
	342:5 Q. The first email in time is number one	
	342:6 at the bottom. That's where it starts in time.	
	342:7 -543462 to -63.	
342:8 - 342:17	Walker, Donald 01-10-2019 (00:00:23)	DW03_Donald Walker Plaintiffs' Submission.329
	342:8 This is an email from Scott Mooney, and this	
	342:9 is to you, January 16 of 2008, importance high. It	
	342:10 states:	
	342:11 (Reading) Don, have you seen this one?	
	342:12 Special dating and a buy-in on	
	342:13 oxycodone? It will probably hit the	
	342:14 limits across the network in the	
	342:15 Volakas report (end of reading).	
	342:16 Is that what he states?	
	342:17 A. Yes.	
342:18 - 342:24	Walker, Donald 01-10-2019 (00:00:18)	DW03_Donald Walker Plaintiffs' Submission.330
	342:18 Q. And do you respond:	
	342:19 (Reading) Given our challenges with	
	342:20 DEA, I would -- I would like to review	
	342:21 with you how we manage these types of	
	342:22 promos going forward (end of reading)?	
	342:23 So McKesson is running a promotion on	
	342:24 oxycodone; correct?	
343:3 - 343:3	Walker, Donald 01-10-2019 (00:00:04)	DW03_Donald Walker Plaintiffs' Submission.331
	343:3 Q. Correct? You call it a promo?	
343:5 - 343:14	Walker, Donald 01-10-2019 (00:00:33)	DW03_Donald Walker Plaintiffs' Submission.332
	343:5 THE WITNESS: Just a second, Counsel. Let	
	343:6 me answer that.	

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343:7 We were not -- what we were offering -- and
 343:8 make sure you understand how the industry works. We
 343:9 were offering to our customers the -- what was being
 343:10 offered to us through the manufacturers was dating on
 343:11 oxycodone. We did not promote or push oxycodone, nor
 343:12 do we make any adjustments on thresholds to any
 343:13 customers on the purchases of oxycodone in any of
 343:14 these promotions.

343:16 - 344:15

Walker, Donald 01-10-2019 (00:01:12)

DW03_Donald Walker Plaintiffs' Submission.333

343:16 Q. Do you call this a promo? I'm just
 343:17 asking, did you use the word "promo"?
 343:18 A. I used the word "promo."
 343:19 Q. And up top do you send an email to
 343:20 Greg Yonko and say:
 343:21 (Reading) Easy, big fella. I know
 343:22 it's been standard and your group does
 343:23 need to be involved. That is why I am
 343:24 suggesting we talk about it. DEA
 343:25 views the industry as doing anything
 344:1 for money and does not understand why
 344:2 we would "promote" controlled
 344:3 substances. No immediate changes are
 344:4 planned, but we do need to think
 344:5 through how we handle promos on
 344:6 controls especially lifestyle drugs
 344:7 like oxycodone. Talk with you soon
 344:8 (end of reading)?
 344:9 Was that your response, sir, in 2008?
 344:10 A. That is what is written.
 344:11 Q. Now I want to go to two months later.
 344:12 Tell the jury what fentanyl is?
 344:13 A. Fentanyl is a Schedule 2 narcotic.
 344:14 Q. And is it the most powerful,
 344:15 dangerous of all the narcotics you sell?

344:19 - 345:8

Walker, Donald 01-10-2019 (00:00:42)

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344:19 Q. Is that true, sir?
 344:20 A. I do not know. I know it's a very
 344:21 powerful pain control narcotic.
 344:22 MR. KENNEDY: 714.
 344:23 (Exhibit No. 714 was marked.)

Page/Line	Source	ID
	344:24 BY MR. KENNEDY:	
	344:25 Q. There's an email down at the bottom.	
	345:1 Kenneth Ball. And this is two years after you're	
	345:2 saying we've got to discuss promos. And he states:	
	345:3 (Reading) Subject: Fentanyl checks.	
	345:4 The promotion ran from 6-22 to 7-31	
	345:5 and was a free item promotion per the	
	345:6 terms below (end of reading).	
	345:7 He's talking in 2010 about a buy one, get	
	345:8 one free on fentanyl; correct?	
345:11 - 345:11	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.335
	345:11 Q. Is that what he's talking about?	
345:14 - 346:2	Walker, Donald 01-10-2019 (00:00:43)	DW03_Donald Walker Plaintiffs' Submission.336
	345:14 THE WITNESS: I don't -- I'm not sure. I	
	345:15 don't understand the promotion that's being referred	
	345:16 to here. I can only see what he's written.	
	345:17 BY MR. KENNEDY:	
	345:18 Q. Up above it says "free item"; right?	
	345:19 Free item promotion on fentanyl; correct? Free item	
	345:20 promotion; correct, sir? Is that what it says?	
	345:21 A. Hang on. Hang on just a minute,	
	345:22 Counsel. I'm trying to catch up with you.	
	345:23 Okay. Yes, I see that.	
	345:24 Q. And up above, in addition to the buy	
	345:25 one, get one free, you also sent checks out to	
	346:1 pharmacies if they bought fentanyl pursuant to this	
	346:2 promotion?	
346:6 - 346:7	Walker, Donald 01-10-2019 (00:00:02)	DW03_Donald Walker Plaintiffs' Submission.337
	346:6 Q. Well, look right above. He's talking	
	346:7 about checks.	
346:9 - 346:14	Walker, Donald 01-10-2019 (00:00:09)	DW03_Donald Walker Plaintiffs' Submission.338
	346:9 THE WITNESS: I think to clarify what he	
	346:10 said is -- is rebates, which would be more like off	
	346:11 invoice, but --	
	346:12 BY MR. KENNEDY:	
	346:13 Q. Well, rebate is money; isn't it? And	
	346:14 he says "checks"; does he not?	
346:16 - 347:2	Walker, Donald 01-10-2019 (00:00:20)	DW03_Donald Walker Plaintiffs' Submission.339
	346:16 THE WITNESS: I may be missing it, but I	
	346:17 don't see "checks." But --	

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346:18 BY MR. KENNEDY:

346:19 Q. "Subject: Fentanyl Checks." Do you

346:20 see that?

346:21 A. Okay. Under the subject, yes. I

346:22 didn't see that in the body.

346:23 Q. This is two years after you're

346:24 telling the marketing people, we have got to talk

346:25 about promotions; right? This is now 2010; true? Is

347:1 that the date of the email?

347:2 A. That's correct.

347:3 - 347:7 **Walker, Donald 01-10-2019 (00:00:12)**

DW03_Donald Walker Plaintiffs' Submission.348

347:3 Q. Let's look to 2012, two years later,

347:4 two years after that 7-19.

347:5 A. Again, Counsel, we would not have

347:6 changed any thresholds on any of our customers in

347:7 support of any promotions.

347:8 - 347:10 **Walker, Donald 01-10-2019 (00:00:07)**

DW03_Donald Walker Plaintiffs' Submission.349

347:8 Q. Mr. Walker, you got fined

347:9 \$150 million in 2018 for changing thresholds; didn't

347:10 you?

347:14 - 347:17 **Walker, Donald 01-10-2019 (00:00:14)**

DW03_Donald Walker Plaintiffs' Submission.350

347:14 Q. Is that true? Did you get fined

347:15 \$150 million in 2018, McKesson?

347:16 A. I wasn't with McKesson at the time.

347:17 I understand that McKesson paid \$150 million.

347:20 - 347:22 **Walker, Donald 01-10-2019 (00:00:06)**

DW03_Donald Walker Plaintiffs' Submission.351

347:20 Q. Let's go to 719. We're still on

347:21 promotions. This is two years after the fentanyl

347:22 promotion. This is now 2012. And look -- I want to

347:23 - 347:23 **Walker, Donald 01-10-2019 (00:00:09)**

DW03_Donald Walker Plaintiffs' Submission.352

347:23 start on page -22. This is -539021 to -23. 719.

347:24 - 349:11 **Walker, Donald 01-10-2019 (00:01:19)**

DW03_Donald Walker Plaintiffs' Submission.353

347:24 And do you see on -22, the subject, "Lower

347:25 Priced Oxycodone has been Released"? Do you see

348:1 that?

348:2 A. Yes.

348:3 Q. And does it say, "McKesson OneStop

348:4 Generics Campaign has been launched"? And then it

348:5 states:

348:6 (Reading) Contact customers showing

DW03_Donald Walker Plaintiffs' Submission

Page/Line	Source	ID
	348:7 purchase history of Mallinckrodt	
	348:8 Oxycodone to highlight the	
	348:9 availability of lower-priced oxycodone	
	348:10 items (end of reading).	
	348:11 Did I read that correctly?	
	348:12 A. Yes.	
	348:13 Q. And going to the next page, -21. And	
	348:14 this is now Mark Odom, with response to this	
	348:15 lower-price oxycodone. Does he email and say:	
	348:16 (Reading) Are you kidding me!! We are	
	348:17 auto shipping oxy, exclamation,	
	348:18 exclamation, exclamation (end of	
	348:19 reading)?	
	348:20 Do you see that?	
	348:21 A. I see that.	
	348:22 Q. And then email up above says:	
	348:23 (Reading) What's going on? Surely we	
	348:24 are not promoting Oxy on special (end	
	348:25 of reading).	
	349:1 Do you see that email?	
	349:2 A. Yes, I do.	
	349:3 Q. And then you state:	
	349:4 (Reading) We agreed to offer the lower	
	349:5 price but are not changing any	
	349:6 thresholds (end of reading).	
	349:7 Is that what you responded?	
	349:8 A. Exactly my response.	
	349:9 Q. Now, this is 2012. This is four	
	349:10 years after you said to marketing, we have got to	
	349:11 discuss the promotions; right?	
349:14 - 349:14	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.346
	349:14 THE WITNESS: Yes.	
350:6 - 350:6	Walker, Donald 01-10-2019 (00:00:02)	DW03_Donald Walker Plaintiffs' Submission.347
	350:6 Q. Let's go to the next. It's 2013.	
350:7 - 350:7	Walker, Donald 01-10-2019 (00:00:05)	DW03_Donald Walker Plaintiffs' Submission.348
	350:7 This is now a year after the Oxycontin promotion?	
350:10 - 350:10	Walker, Donald 01-10-2019 (00:00:01)	DW03_Donald Walker Plaintiffs' Submission.349
	350:10 MR. KENNEDY: 721.	
350:11 - 351:13	Walker, Donald 01-10-2019 (00:01:23)	DW03_Donald Walker Plaintiffs' Submission.350
	350:11 Q. Down below, November 7, 2013, "SMS	

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350:12 Analytics Group, Dale Harris." And the subject is,
 350:13 "Campaign Mallinckrodt Hydrocodone has been
 350:14 Released!"

350:15 Dale Harris, it states:

350:16 (Reading) McKesson OneStop Generics

350:17 Campaign, hydrocodone has been

350:18 launched. The campaign will be

350:19 effective from 11-8-13 to 11-15-13.

350:20 Inform ISMC customers with purchase of

350:21 Watson hydrocodone of the savings on

350:22 Mallinckrodt hydrocodone (end of

350:23 reading).

350:24 Do you see that? And then up above that,

350:25 does Dale Harris send an email from McKesson,

351:1 stating:

351:2 (Reading) Thought you might want to

351:3 see that we're pushing hydrocodone

351:4 with ISMC calls again (end of

351:5 reading)?

351:6 And that is the independent small, medium

351:7 chains; right? Did I read that right?

351:8 A. The ISM.

351:9 Q. And then up above does Tom Smith --

351:10 who is Tom Smith?

351:11 A. Tom was the head of sales or general

351:12 manager. General Manager with our Birmingham

351:13 facility.

351:14 - 351:18

Walker, Donald 01-10-2019 (00:00:12)

DW03_Donald Walker Plaintiffs' Submission.201

351:14 Q. And does he say, "This is silly"?

351:15 A. That's what's written.

351:16 Q. Sir, this is 2013 when he says, "This

351:17 is silly"; correct?

351:18 A. That's what's written.

351:19 - 352:13

Walker, Donald 01-10-2019 (00:01:01)

DW03_Donald Walker Plaintiffs' Submission.202

351:19 Q. It's more than silly in 2013, isn't

351:20 it? Running a promotion pushing hydrocodone on

351:21 pharmacies, it's more than silly; isn't it? Could we

351:22 agree that that --

351:23 A. No, I don't agree because it's a

351:24 mischaracterization of what -- of the promo -- or as

DW03_Donald Walker Plaintiffs' Submission

Page/Line	Source	ID
	351:25 you call it, a promo.	
	352:1 These were opportunities for pharmacies to	
	352:2 obtain product at a reduced price. It didn't change	
	352:3 the threshold. It was simply to provide them an	
	352:4 opportunity to provide legitimate medications to	
	352:5 customers at a lower price.	
	352:6 Q. At this point in time, when he says	
	352:7 "This is silly," what -- strike that for a second.	
	352:8 You described this as a legitimate way to	
	352:9 get more hydrocodone to pharmacies. Tom Smith --	
	352:10 A. No.	
	352:11 Q. -- doesn't agree this is a legitimate	
	352:12 way to get more hydrocodone. He says it's silly;	
	352:13 right?	
352:15 - 352:22	Walker, Donald 01-10-2019 (00:00:20)	DW03_Donald Walker Plaintiffs' Submission:353
	352:15 THE WITNESS: Counsel, you asked me two	
	352:16 questions.	
	352:17 The first question, no, this was not an	
	352:18 opportunity to get more hydrocodone to pharmacies.	
	352:19 This was an opportunity for pharmacies to purchase	
	352:20 the hydrocodone that they required, and we monitored,	
	352:21 at a price that was reduced to give them an	
	352:22 opportunity from a business standpoint.	
352:24 - 353:9	Walker, Donald 01-10-2019 (00:00:25)	DW03_Donald Walker Plaintiffs' Submission:354
	352:24 Q. Well, you've got one McKesson	
	352:25 employee who says, you're pushing hydrocodone. You	
	353:1 have another one saying, silly. Do you disagree with	
	353:2 them?	
	353:3 A. I see what his -- what is written. I	
	353:4 don't agree with "pushing" hydrocodone.	
	353:5 Q. Do you know how many people	
	353:6 hydrocodone was killing a year at the time of this --	
	353:7 of this promotion in 2013? Do you know that?	
	353:8 A. No, I don't have any specific	
	353:9 information on that.	
353:15 - 353:18	Walker, Donald 01-10-2019 (00:00:09)	DW03_Donald Walker Plaintiffs' Submission:355
	353:15 And since 2013, five years ago, you said you want to	
	353:16 talk to the marketing people about promotions; right?	
	353:17 You said that five years ago, I want to talk to them	
	353:18 about promotions; remember?	

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353:21 - 354:4	Walker, Donald 01-10-2019 (00:00:29) 353:21 THE WITNESS: In my prior email we reviewed, 353:22 I indicated to Mr. Yanko that we would have a 353:23 conversation around promotional incentives with 353:24 certain controlled substances. I did. 353:25 We clarified very clearly at that time that 354:1 we were not going to make any regulatory adjustments 354:2 regarding thresholds. And our customers could take 354:3 advantage of the pricing but could not change their 354:4 threshold as a result of promotion.	DW03_Donald Walker Plaintiffs' Submission.356
365:12 - 365:22	Walker, Donald 01-10-2019 (00:00:42) 365:12 Q. You mentioned that Mr. Rannazzisi, or 365:13 DEA, expressed that the DU45 report was inadequate. 365:14 What -- what was the issue that DEA raised with the 365:15 DU45 report? 365:16 A. I think it was -- as I -- as I 365:17 interpreted the discussion, it was really a matter of 365:18 just the volume -- he used the term "excessive order 365:19 report," and that the volume of data was -- was not 365:20 usable, you know, to DEA. And it was just -- didn't 365:21 view it as a valuable report to -- you know that they 365:22 could use to follow up on.	DW03_Donald Walker Plaintiffs' Submission.357
366:11 - 366:21	Walker, Donald 01-10-2019 (00:00:36) 366:11 Q. So you've described a message that 366:12 once deemed suspicious, an order should not be 366:13 shipped. And you've described a message that, I 366:14 think you said, a customer should not receive any 366:15 order of controlled substances if an order placed is 366:16 deemed suspicious? 366:17 A. No. If we -- if we deem that 366:18 customer to have a suspicious pattern of orders or a 366:19 business model that was suspicious, then we should 366:20 cease selling controlled substances to them 366:21 altogether.	DW03_Donald Walker Plaintiffs' Submission.358
368:13 - 368:21	Walker, Donald 01-10-2019 (00:00:37) 368:13 MS. HENN: I'd like to show you an exhibit. 368:14 Let's get this marked as 84. 368:15 THE REPORTER: 804. 368:16 MS. HENN: 804. Thank you. 368:17 (Exhibit No. 804 was marked.)	DW03_Donald Walker Plaintiffs' Submission.359

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	368:18 BY MS. HENN: 368:19 Q. Mr. Walker, the court reporter handed 368:20 you an Exhibit No. -- that's been marked 804. The 368:21 Bates number is -571361 through -65.	
406:21 - 407:3	Walker, Donald 01-10-2019 (00:00:29) 406:21 Q. Mr. Walker, from 2008, when the CSMP 406:22 was put into place, to 2012, do you know how many 406:23 Suspicious Order Reports about customers were 406:24 reported to the DEA by McKesson? 406:25 A. My recollection is that we were 407:1 somewhere in the area of 35 to 40 different 407:2 pharmacies that we reported and generated suspicious 407:3 order reporting to DEA.	DW03_Donald Walker Plaintiffs' Submission.389
407:4 - 407:15	Walker, Donald 01-10-2019 (00:00:41) 407:4 Q. Did you do any analysis to total that 407:5 number? 407:6 A. We did -- we did tally up the -- and 407:7 provide a report. 407:8 And the report only reflected, you know, 407:9 what we report at the DEA. What is not and was not 407:10 reported, because it was not a requirement to report 407:11 or tallied, was the number of pharmacies that we 407:12 elected not to do business with during our initial 407:13 due diligence of a potential new customer. And that 407:14 number of pharmacies was significantly higher than 407:15 the 40 that we reported to the DEA.	DW03_Donald Walker Plaintiffs' Submission.393
411:25 - 412:3	Walker, Donald 01-10-2019 (00:00:09) 411:25 Q. All right. And you -- actually, I 412:1 think you read a footnote on page -1362 of the letter 412:2 written to the DEA. Do you remember reading that 412:3 footnote?	DW03_Donald Walker Plaintiffs' Submission.398
412:6 - 413:7	Walker, Donald 01-10-2019 (00:01:39) 412:6 Q. Sir, do you remember reading that 412:7 footnote? 412:8 A. Counselor, I remember describing the 412:9 content of the footnote. I don't remember that -- I 412:10 don't recall that I read it specifically. I just 412:11 want to be clear. 412:12 Q. All right. This -- this footnote 412:13 basically outlines an explanation from McKesson as to	DW03_Donald Walker Plaintiffs' Submission.399

412:14 why it filled an order of 99,000 doses to United
 412:15 Prescription Services on October 21, 2005; is that
 412:16 what that footnote talks about?
 412:17 A. Yes, that's what's written there.
 412:18 Q. And McKesson's excuse and explanation
 412:19 to the DEA was that there was a hurricane, Hurricane
 412:20 Wilma, and that's why we sent 99,000 doses to United
 412:21 Prescription; right? Is that what that says?
 412:22 A. That's what is noted, yes.
 412:23 Q. And my question is, if this is
 412:24 McKesson's explanation to the DEA with respect to
 412:25 99,000 dosages, what was McKesson's explanation for
 413:1 the other seven million dosages that the DEA was
 413:2 unhappy about? The other seven million, what was
 413:3 their explanation on those?
 413:4 A. I don't recall that there was any --
 413:5 any specific response that McKesson provided
 413:6 regarding any other dosages or shipments that the DEA
 413:7 covered.

414:6 - 414:9 **Walker, Donald 01-10-2019 (00:00:12)**

DW03_Donald Walker Plaintiffs' Submission.383

414:6 Q. My question is, you sent the DEA a
 414:7 letter explaining that it was a hurricane that caused
 414:8 you to send 99,000. What was McKesson's explanation
 414:9 to the DEA about the other seven million?

414:11 - 414:15 **Walker, Donald 01-10-2019 (00:00:25)**

DW03_Donald Walker Plaintiffs' Submission.384

414:11 THE WITNESS: Counsel, I don't believe that
 414:12 we made any specific response on any other quantity
 414:13 allegations. I do note that the letter from
 414:14 Mr. Julian to Mr. Rannazzisi was in October of --
 414:15 where's the letter just real quick?

414:17 - 414:25 **Walker, Donald 01-10-2019 (00:00:31)**

DW03_Donald Walker Plaintiffs' Submission.384

414:17 THE WITNESS: Was in January of '06. So
 414:18 what I'm not -- don't recall is what information we
 414:19 had at hand in terms of the number of doses that the
 414:20 DEA was alleging at that time.
 414:21 BY MR. KENNEDY:
 414:22 Q. Well, my question is, why did you --
 414:23 why did you show us an explanation for 99,000 when,
 414:24 in fact, the alleged conduct involved over seven
 414:25 million dosages?

Page/Line	Source	ID
415:4 - 415:16	Walker, Donald 01-10-2019 (00:00:37) 415:4 THE WITNESS: It's really two different -- 415:5 in my view, it's two different pieces of information. 415:6 The letter is in direct response to items 415:7 that were outlined as -- as we understood them in the 415:8 January '06 meeting. The settlement and the 415:9 allegations in the settlement, to my recollection, 415:10 not all of those were shared with us during the 415:11 course of the meeting that we had with 415:12 Mr. Rannazzisi. 415:13 So the best way I can answer the question is 415:14 this is a direct response to Mr. Rannazzisi around 415:15 the issues that he personally raised in that January 415:16 '06 meeting.	DW03_Donald Walker Plaintiffs' Submission.385
415:18 - 415:21	Walker, Donald 01-10-2019 (00:00:10) 415:18 Q. All right. We're sitting here today, 415:19 now it's way, way later. Tell me the explanation 415:20 that was provided for the other seven million 415:21 dosages, other than 99,000? What was provided?	DW03_Donald Walker Plaintiffs' Submission.382
415:23 - 418:11	Walker, Donald 01-10-2019 (00:03:08) 415:23 THE WITNESS: Counsel, I do not believe -- 415:24 as I stated, I don't believe that we had any other 415:25 specific response to DEA. 416:1 BY MR. KENNEDY: 416:2 Q. Between 2000 and 2005, you said you 416:3 were out of Regulatory for that period of time, and 416:4 what was your job? 416:5 A. I was -- I can't remember my specific 416:6 title, but I was the Senior Vice President overseeing 416:7 Six Sigma. 416:8 Q. And what did that involve? Did that 416:9 involve regulation of controlled substances? 416:10 A. Not at all. 416:11 Q. Not at all. 416:12 How many meetings with the DEA did you go to 416:13 between 2000 and 2005? 416:14 A. None. 416:15 Q. How many DEA seminars did you go to 416:16 between 2000 and 2005? 416:17 A. None that I remember.	DW03_Donald Walker Plaintiffs' Submission.383

416:18 Q. How many regulatory meetings did you
416:19 go to at McKesson between 2000 and 2005 with respect
416:20 to controlled substances?

416:21 A. I don't recall going to any.

416:22 Q. So when you said that in January of
416:23 '06 this was the first time that Mr. Rannazzisi of
416:24 the DEA made certain representations to you with
416:25 respect to the responsibilities, you had not been
417:1 involved with Regulatory for five years; is that
417:2 correct?

417:3 A. I had not been directly involved with
417:4 Regulatory during that time frame.

417:5 Q. Now, there was a lot of time spent in
417:6 your questioning about a meeting that you had with
417:7 the DEA in July of 2008. Do you remember all those
417:8 questions about a meeting with the DEA and the
417:9 presentations that you made to the DEA and McKesson
417:10 made to the DEA with respect to its 2008 Controlled
417:11 Substances Monitoring Program? Do you recall all
417:12 those questions?

417:13 A. Yes.

417:14 Q. And I think you went through great
417:15 details. We told the DEA we're going to do this. We
417:16 told them the monitoring program would include this.
417:17 And this was all about the program that you were
417:18 going to implement in 2008; correct?

417:19 A. Yes, it was about the program that we
417:20 were implementing.

417:21 Q. And I wrote it down. I think you
417:22 said that by their body language, you thought that
417:23 the DEA was satisfied with the monitoring program
417:24 that you were going to implement in 2008; correct?
417:25 Do you remember saying that?

418:1 A. I believe that was my testimony.

418:2 Q. Well, let me -- let me ask you: Your
418:3 monitoring program, the McKesson monitoring program
418:4 that you outlined for the DEA at that meeting in
418:5 2008, could we agree that that monitoring program
418:6 isn't going to be of any use unless you follow it;
418:7 right?

Page/Line	Source	ID
418:8 - 419:3	<p>418:8 A. I would agree that it was certainly</p> <p>418:9 our intent and our commitment that we would execute</p> <p>418:10 our Controlled Substance Monitoring Program and</p> <p>418:11 explained that to DEA.</p> <p>Walker, Donald 01-10-2019 (00:01:01)</p> <p>418:12 Q. And can we agree, just</p> <p>418:13 because you write a monitoring program on paper, put</p> <p>418:14 it into a heading of, this is our Controlled</p> <p>418:15 Substances Monitoring Program and show it to the DEA,</p> <p>418:16 just because it's on the paper doesn't mean it's</p> <p>418:17 going to be effective or work unless you follow it;</p> <p>418:18 right? You've got to follow it?</p> <p>418:19 A. The monitoring program that we</p> <p>418:20 presented, we applied and we followed.</p> <p>418:21 Q. Sir, would you answer my question,</p> <p>418:22 please. The monitoring program you put on paper is</p> <p>418:23 of no effect, it's no good to anybody unless you</p> <p>418:24 follow it; is that true?</p> <p>418:25 A. I wouldn't agree with that statement.</p> <p>419:1 Clearly, the monitoring program that we put in place,</p> <p>419:2 we executed against and continued to provide the</p> <p>419:3 regulatory recite of controlled substances.</p> <p>Walker, Donald 01-10-2019 (00:00:53)</p> <p>419:13 Q. Mr. Walker, we were talking about the</p> <p>419:14 representations that you made to the DEA with respect</p> <p>419:15 to the monitoring program that you were going to put</p> <p>419:16 into place in 2008. And I asked you, if you -- could</p> <p>419:17 you agree that putting a monitoring program on paper</p> <p>419:18 and representing to the DEA at your meeting with the</p> <p>419:19 DEA back in 2008 -- representing to them everything</p> <p>419:20 that you were going to do in this written monitoring</p> <p>419:21 program, can we agree that that does no one any good,</p> <p>419:22 it doesn't work unless you actually follow your</p> <p>419:23 program? Agreed?</p> <p>419:24 A. What I think my response -- what I</p> <p>419:25 can agree to is that we put the program in place, and</p> <p>420:1 we executed that program, as described, and with the</p> <p>420:2 intent and certainly the execution to ensure that we</p> <p>420:3 were meeting our regulatory requirements.</p> <p>Walker, Donald 01-10-2019 (00:00:06)</p>	<p>DW03_Donald Walker Plaintiffs' Submission.386</p> <p>DW03_Donald Walker Plaintiffs' Submission.387</p> <p>DW03_Donald Walker Plaintiffs' Submission.388</p>

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420:21 - 421:9	<p>420:11 Q. Let's look at how diligent you were 420:12 in executing, then. Let's look at Exhibit 730, if we 420:13 could.</p> <p>Walker, Donald 01-10-2019 (00:00:43)</p> <p>420:21 Q. Pursuant to your agreement and your 420:22 communication to the DEA and your monitoring program, 420:23 there should be Level 1 Reviews when a pharmacy 420:24 orders over their threshold; correct? Is that 420:25 correct, sir?</p> <p>421:1 A. There -- in orders that went over the 421:2 threshold, a Level 1 Review was -- was called out.</p> <p>421:3 Q. That's what should be done under the 421:4 program; right?</p> <p>421:5 A. That's correct.</p> <p>421:6 Q. And you represented that to the DEA 421:7 at your meeting in 2008? If somebody omits, meaning 421:8 they order over the threshold, there will be a 421:9 Level 1 Review; correct?</p>	DW03_Donald Walker Plaintiffs' Submission.365
421:11 - 421:20	<p>Walker, Donald 01-10-2019 (00:00:28)</p> <p>421:11 THE WITNESS: What I represented to the DEA 421:12 and reviewed with them is that as a -- if somebody 421:13 exceeded a threshold, we would conduct a Level 1 421:14 Review.</p> <p>421:15 BY MR. KENNEDY:</p> <p>421:16 Q. Exhibit 730 is an audit done by 421:17 McKesson in March of 2011. Is that what it says on 421:18 the cover page, March of 2011 Audit Report?</p> <p>421:19 A. Yes.</p> <p>421:20 Q. If you go to page -498069. Do you</p>	DW03_Donald Walker Plaintiffs' Submission.366
421:21 - 422:11	<p>Walker, Donald 01-10-2019 (00:00:41)</p> <p>421:21 see that? "Level 1 Forms," do you see that title? 421:22 Level 1 Forms.</p> <p>421:23 A. Yes.</p> <p>421:24 Q. Delran, what is that? Is that one of 421:25 your distribution centers?</p> <p>422:1 A. Delran, New Jersey was one of our 422:2 distribution centers.</p> <p>422:3 Q. Under that it says: 422:4 (Reading) Omit Reports were not being 422:5 signed by DC management as required by</p>	DW03_Donald Walker Plaintiffs' Submission.367

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	422:6 policy. In addition, the required 422:7 Level 1 forms were not completed for 422:8 20 of 56 omits in July 2010, and all 422:9 54 omits for the month of November 422:10 2010 (end of reading). 422:11 Did I read that right?	
422:12 - 422:14	Walker, Donald 01-10-2019 (00:00:02) 422:12 A. Yes. 422:13 Q. This policy is no good unless you 422:14 follow it.	DW03_Donald Walker Plaintiffs' Submission.389
422:18 - 422:25	Walker, Donald 01-10-2019 (00:00:28) 422:18 Q. Is that agreeable? 422:19 A. I don't agree with that statement. 422:20 What I would agree with is that we had, as 422:21 part of our control substance, any threshold that 422:22 generated a Level 1 Review needed to take place. My 422:23 interpretation of and review of this document is that 422:24 we failed to complete the paperwork associated with 422:25 that.	DW03_Donald Walker Plaintiffs' Submission.389
423:1 - 424:21	Walker, Donald 01-10-2019 (00:01:50) 423:1 Q. Now, New Castle. This is another 423:2 distribution center; right? 423:3 A. Yes. 423:4 Q. Under that one it says: 423:5 (Reading) The Omit Reports were not 423:6 being signed by DC management as 423:7 required by policy. In addition, the 423:8 required Level 1 forms were not 423:9 completed for 21 of 31 -- 30 omits in 423:10 July 2010, and 20 of 27 omits in 423:11 November 2010 (end of reading). 423:12 Did I read that right? 423:13 A. Yes, you read it correctly. 423:14 Q. Washington Court House, is that 423:15 another distribution center? 423:16 A. Yes, it is. 423:17 Q. Does that say: 423:18 (Reading) the required Level 1 forms 423:19 were not completed for all 19 omits in 423:20 July 2010, and all 11 omits in	DW03_Donald Walker Plaintiffs' Submission.389

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423:21 November (end of reading)?

423:22 Is that what that says about that

423:23 distribution center?

423:24 A. Yes.

423:25 Q. Conroe, on the next page. That's

424:1 another distribution center; is it not?

424:2 A. Yes, it is.

424:3 Q. Does that state:

424:4 (Reading) The Omit Reports were not

424:5 signed and dated by management as

424:6 required by policy. In addition,

424:7 Level 1 forms were not completed for

424:8 July and November 2010 omits. CSMP

424:9 Excursion contract forms were used in

424:10 place of Level 1 forms, although 22 of

424:11 35 omits in July and 17 out of 35

424:12 omits in November didn't have any

424:13 completed documentation (end of

424:14 reading).

424:15 Did I read that right?

424:16 A. Yes, you read that correctly.

424:17 Q. And let me ask you, when you had your

424:18 meeting with the DEA in 2008 to outline your

424:19 Controlled Substance Monitoring Program for them, did

424:20 you tell them that you would have sales reps doing

424:21 the Level 1 investigations? Did you tell them that?

424:23 - 425:7

Walker, Donald 01-10-2019 (00:00:25)

424:23 THE WITNESS: I don't recall that we

424:24 specified who would conduct the Level 1 Reviews.

424:25 ///

425:1 BY MR. KENNEDY:

425:2 Q. You told them, did you not -- you

425:3 described to them that you would have a system

425:4 whereby pharmacies could request an increase in their

425:5 threshold. Did you tell that to the DEA, that that

425:6 would be part of your program, pharmacies could

425:7 request increases in their threshold?

425:12 - 425:17

Walker, Donald 01-10-2019 (00:00:20)

425:12 Q. And in your PowerPoint you

425:13 specifically represented, did you not, that if you

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	425:14 were going to increase the threshold, it would 425:15 require documentation? 425:16 A. Let me make sure I understand what 425:17 page you're referring to there.	
425:25 - 426:15	Walker, Donald 01-10-2019 (00:00:51) 425:25 Q. Slide No. 7 you created. 426:1 Did you tell the DEA if you were going to 426:2 adjust the threshold, it would require documentation? 426:3 A. That's what I covered with the DEA in 426:4 that meeting. 426:5 Q. Did you tell them that you would be 426:6 giving threshold -- giving threshold increases for 426:7 reasons such as Thanksgiving? Did you tell them 426:8 that? 426:9 A. We didn't have any discussion in that 426:10 meeting around reasons for increases. 426:11 Q. Did you tell them in that meeting 426:12 that you would be increasing thresholds 30 stores at 426:13 a time for chain pharmacies? Did you tell them that? 426:14 A. Again, we had no discussion on the 426:15 reasons that we would be increasing thresholds.	DW03_Donald Walker Plaintiffs' Submission.271
426:21 - 426:25	Walker, Donald 01-10-2019 (00:00:12) 426:21 Q. Did you tell them, that in the system 426:22 that you would be implementing, that customers would 426:23 be told that they could expect a decision on a 426:24 threshold increase within one day? Did you tell them 426:25 that?	DW03_Donald Walker Plaintiffs' Submission.272
427:3 - 427:11	Walker, Donald 01-10-2019 (00:00:23) 427:3 THE WITNESS: Again, I don't recall any 427:4 discussion around the specifics of how we would grant 427:5 increases in thresholds. 427:6 BY MR. KENNEDY: 427:7 Q. Did you tell them that this system 427:8 would be such that McKesson would tell pharmacies 427:9 that if they requested an increase, that they could 427:10 presume that that threshold increase was granted and 427:11 approved unless they heard otherwise?	DW03_Donald Walker Plaintiffs' Submission.273
427:13 - 427:15	Walker, Donald 01-10-2019 (00:00:03) 427:13 BY MR. KENNEDY: 427:14 Q. Did you tell the DEA that that's the	DW03_Donald Walker Plaintiffs' Submission.274

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427:17 - 427:18	427:15 kind of system that you would implement? Walker, Donald 01-10-2019 (00:00:05)	DW03_Donald Walker Plaintiffs' Submission.375
428:5 - 428:7	427:17 THE WITNESS: Counsel, we had no discussion 427:18 around our methodology of threshold increases. Walker, Donald 01-10-2019 (00:00:06)	DW03_Donald Walker Plaintiffs' Submission.380
428:9 - 428:19	428:5 Q. And, sir, you went all through this 428:6 discussion with the DEA about how you were going to 428:7 report suspicious orders to them; did you not? Walker, Donald 01-10-2019 (00:00:28) 428:9 THE WITNESS: We -- we covered with them the 428:10 process and how we would -- and when we would report 428:11 suspicious orders based on our three-tiered review 428:12 process. 428:13 BY MR. KENNEDY: 428:14 Q. But, again, if you don't follow your 428:15 own policies that you put in writing, they don't do 428:16 anybody any good, do they, unless you follow them; 428:17 right? 428:18 A. We followed our policies as we 428:19 outlined.	DW03_Donald Walker Plaintiffs' Submission.381
432:20 - 433:4	Walker, Donald 01-10-2019 (00:00:40) 432:20 Q. And, sir, you've told us that 432:21 McKesson diligently, aggressively applied the 2008 432:22 Controlled Substances Monitoring Program; is that 432:23 what you've told us? 432:24 A. Yes, that was my testimony. 432:25 Q. Sir, didn't McKesson get fined 433:1 \$150 million by the DEA because of their failures 433:2 with respect to the 2008 program, leading all the way 433:3 up from 2008 and '09, '10, '11, '12, '13, '14, '15, 433:4 '16, and '17? \$150 million.	DW03_Donald Walker Plaintiffs' Submission.376
433:7 - 433:7	Walker, Donald 01-10-2019 (00:00:01) 433:7 Q. Do you recall that, sir?	DW03_Donald Walker Plaintiffs' Submission.377
433:10 - 433:15	Walker, Donald 01-10-2019 (00:00:17) 433:10 THE WITNESS: All that I'm aware of is 433:11 that -- and because it was public information, is 433:12 that McKesson paid \$150 million. I don't understand 433:13 any of the details of the settlement, of the 433:14 documentation, because all of it occurred after I 433:15 left the company.	DW03_Donald Walker Plaintiffs' Submission.378

Plaintiffs Affirmative Designations = 02:00:59
 Defense Counter Designations = 00:22:39
 Plaintiff Counter Counters = 00:16:58
 Defense Completeness Counter Counters = 00:06:03
Total Time = 02:46:39